Enterprise Solutions Best Practices & Critical Success Factors

Enterprise Solutions Module 3

Tuesday, May 9

Learning Objectives

- Understand Contracting / Acquisition for ERPs
  - Use of:
    - Enterprise Software Initiative
    - Blanket Purchase Agreements
    - Enterprise Licenses
  - Contracting / Acquisition Lessons Learned
- Understand use of enterprise solutions to deliver commercial best practices
- Understand the role of Program Management Office (PMO) / Enterprise Solutions Competency Center
- Understand the Critical Success Factors for enterprise solutions
- Understand the role of Executive Sponsors in removing obstacles to success

Agenda

■ **Opening Remarks**	**Mr. Chip Raymond**
■ **Contracting/Acquisition Lifecycle**	**Mr. Jim Clausen**
■ **Enterprise Solutions Best Practices; Federated Architecture, Process Performance Management**	**Dr. Tom Gulledge**
■ **BREAK**	**15 min**
■ **Enterprise Solutions Competency Centers**	**Mr. Chip Raymond**
■ **Enterprise Solutions Critical Success Factors**	**Mr. Mark Rushing**
■ **Q&A**	**Mr. Chip Raymond**

Best Practices & Critical Success Factors

Opening Remarks

Mr. Chip Raymond – SEC - Belvoir

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Contracting / Acquisition for ERPs

Mr. Jim Clausen, OSD (NII)
DoD Enterprise Software Initiative Working Group

Best Practices & Critical Success Factors

Contracting / Acquisition for ERPs

Mr. Jim Clausen, OSD (NII)
DoD Enterprise Software Initiative Working Group

A Net-Centric DoD
NII/DoD CIO

Department of Defense

Enterprise Software Initiative

Army Enterprise Solutions Executive Course

9 May, 2006

DoD ESI Working Group
DoD Chief Information Officer
6000 Defense Pentagon
Washington, DC 20301-6000

Power to the Edge

Enterprise Software Initiative

A Team Approach

- ESI Working Group composed of members from 9 Major DoD Components, Championed by DoD CIO
- ***Strategic Sourcing*** from companies who are market/technology leaders. Communications with DoD customers through ESI Software Product Managers (SPM) lead to key products/services & companies.
- Five DoD Components host SPMs to consolidate requirements, develop business cases, and negotiate & administer agreements:
  - Army, Department of the Navy, Air Force, DISA, DLA
- When there is sufficient interest – or a pressing capability gap – assignment is made by the ESI Working Group based on product category, or "ownership" of a large requirements block.

Enterprise Software Initiative

Products & Results

- Enterprise Software Agreements (ESA)
  - Contracts or Blanket Purchase Agreements (BPA) used by the DoD to Acquire Software, Software Maintenance, or Selected Services
  - Open to all DoD, the U. S. Coast Guard, the Intelligence Community, and Authorized Defense Contractors
  - Products are Standards-Compliant
  - Negotiated and administered by ESI *Software Product Managers*
- **Results Highlights:**
  - Over $2.5 B in cost avoidance through $1.6B net license purchases
  - Selected to participate on new DoD Strategic Sourcing Directors Board
  - Supporting BTA's Enterprise Systems Group; *One Voice*
  - Numerous industry & government awards

A Net-Centric DoD
NII/DoD CIO

Enterprise Software Initiative

Designated Agreements

Enterprise Software Agreements

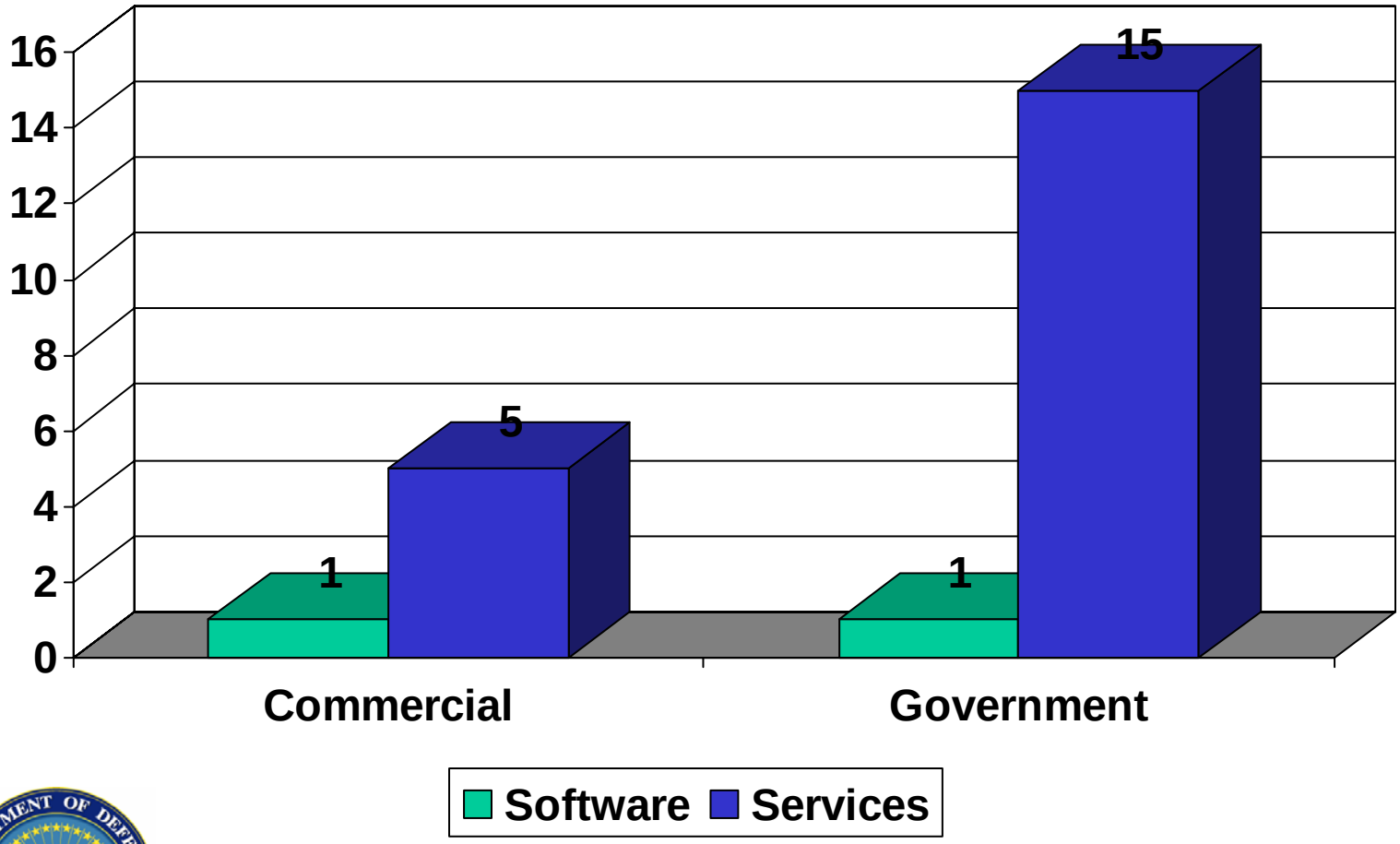
ERP SIs

- *Transformation of DoD business processes* has led to wide-scale adoption of commercial ERP solutions. **Majority of associated total cost comes from engagement of systems integrators**.
  - May 2004, DoD ESI awarded BPA to five qualified systems integrators, enabling more rational & efficient commercial software integration process.
  - BPA holders are: Accenture, BearingPoint, Computer Sciences Corp, Deloitte, and IBM.
  - DoD programs considering use of Oracle and SAP ERP software are the prime “target market”. Programs doing large-scale integration of other commercial software (such as Manugistics, DSG, and AMS Momentum) should also consider these BPA.

Enterprise Software Agreements

ERP SIs

Typical Ratios of COTS S/W to Systems Integrator Costs



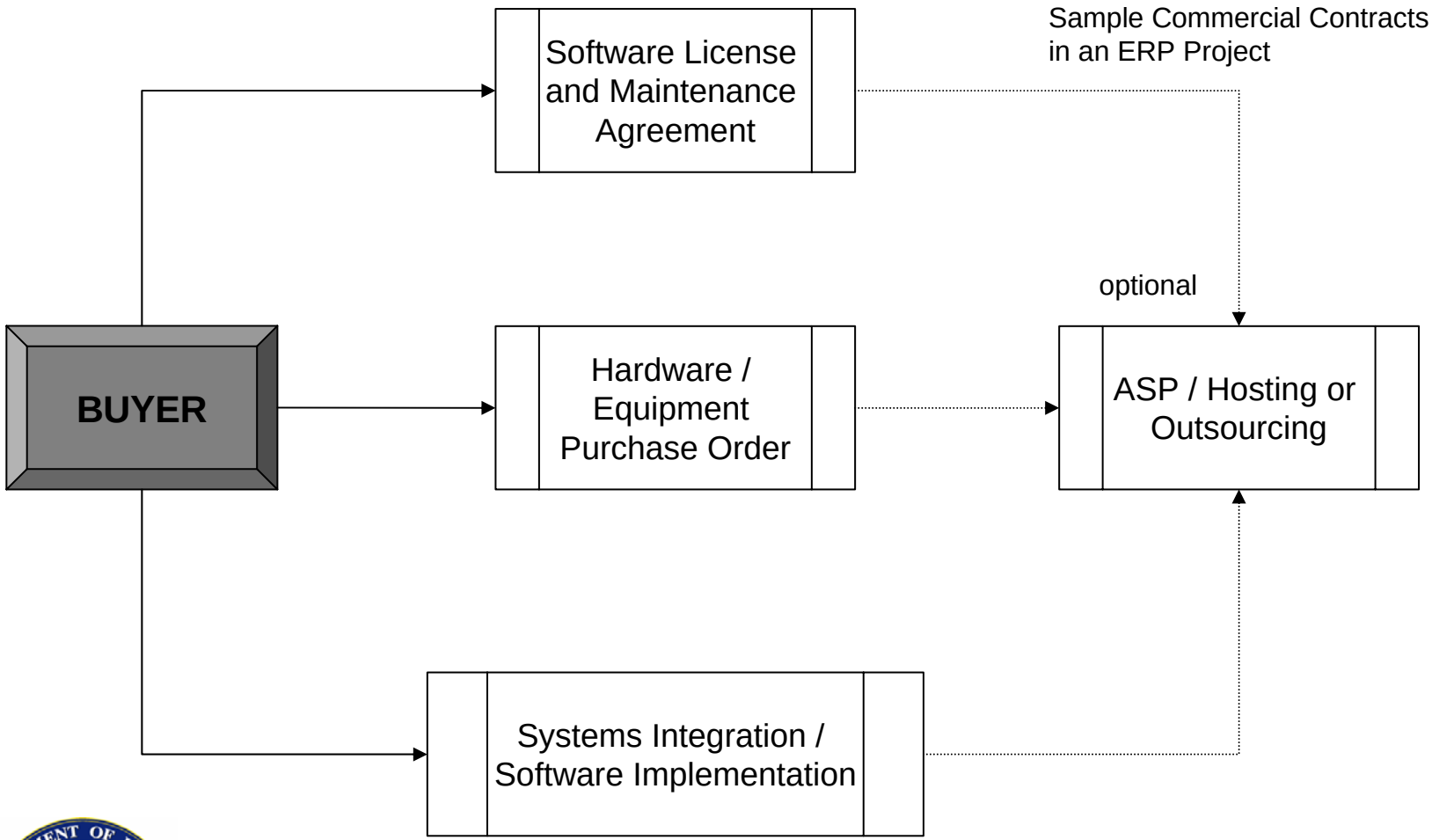
Enterprise Software Agreements

ERP SIs

- BPA Characteristics:
  - Payments can be based on achievement of business or project metrics, so that DoD investments are made only *when*, and *if*, benefits are received.
  - ERP installations use a repeatable, commoditized process. Clarity has been achieved for definition of services, deliverables, acceptance criteria, price and government duties.
  - Accordingly, the **majority of risk is appropriately borne by the systems integrator via *fixed prices*.** ESI BPAs do allow for some T&M contracting too, and performance incentives are built in.
  - View BPAs at http://www.esi.mil or contact Navy SPM : Linda Greenwade, 619-524-9616, linda.greenwade@navy.mil

Key Contracts Involved in ERP

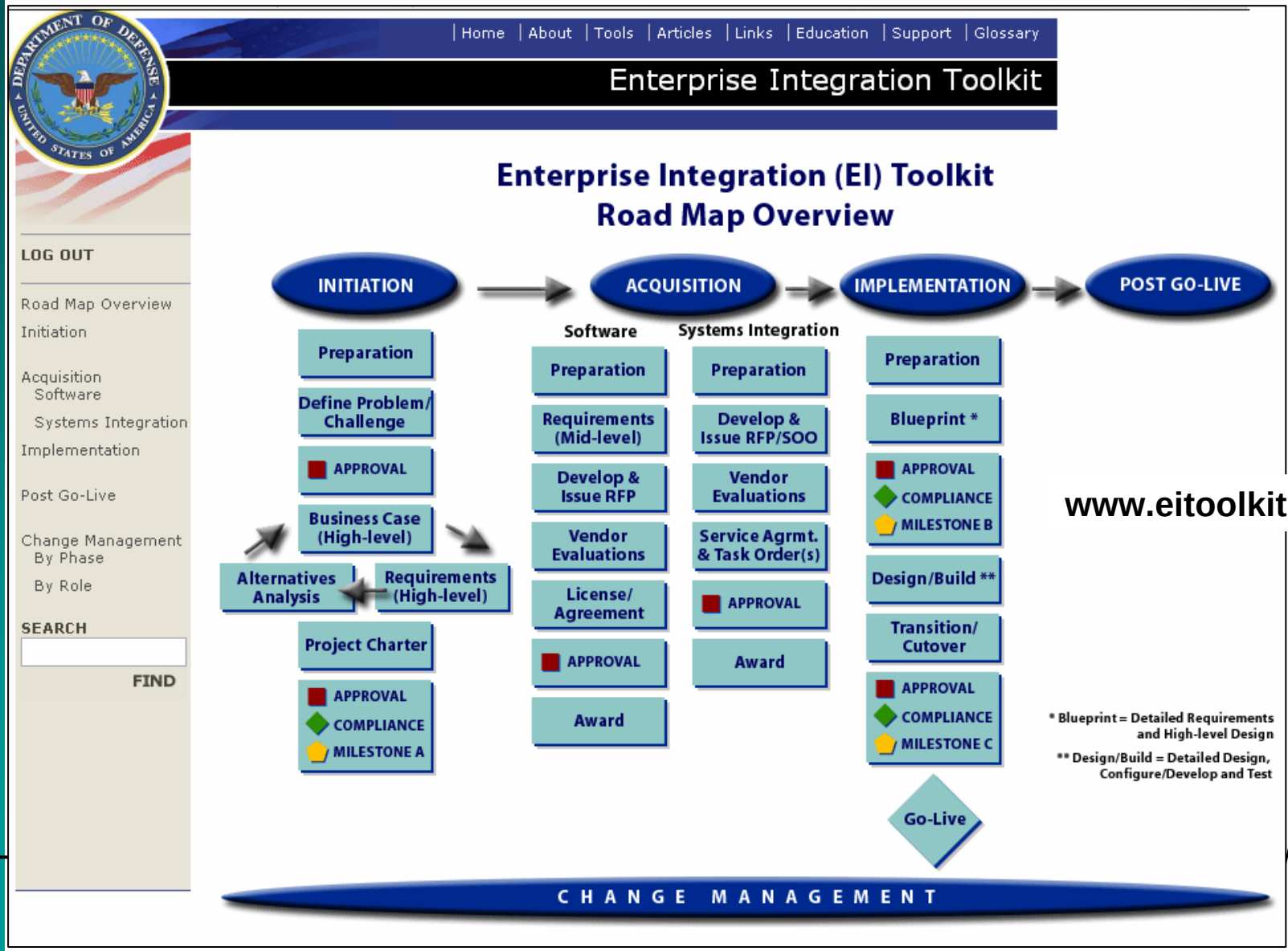
ERP SIs



A Net-Centric DoD
NII/DoD CIO

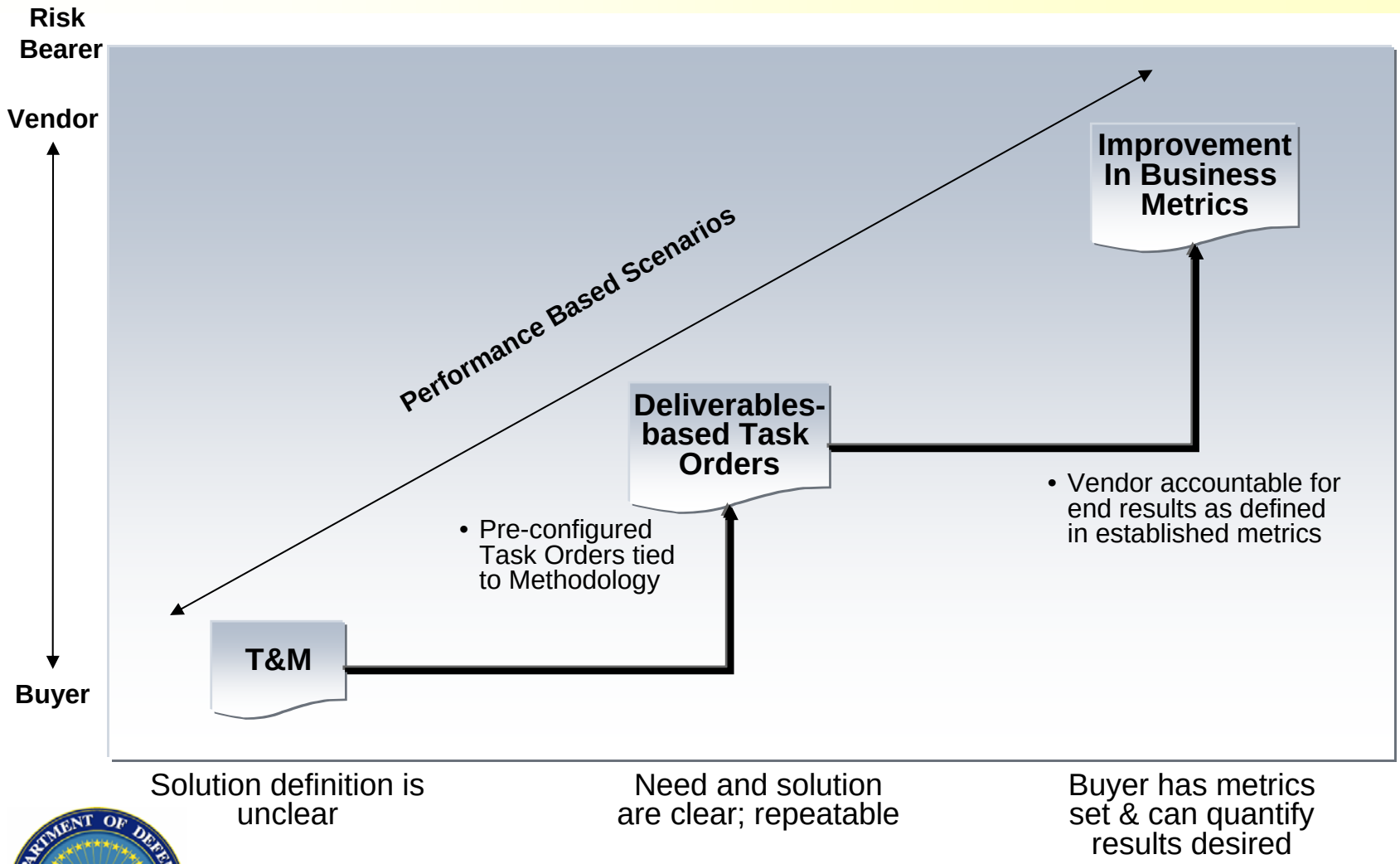
EI Toolkit Life Cycle Alignment

ERP SIs



Typical Pricing Structures

ERP SIs



SmartBUY

- Sponsored by Federal CIO Council and the Office of Management and Budget as part of the President's Management Agenda eGov Strategy.
  - Extends ESA concept for software licensing to Federal agencies
  - General Services Administration (GSA) is SmartBUY executive agent
  - **SmartBUY is implemented in DoD through ESI:**
    - ESI Team participated on initial cross-agency team; offered "lessons learned" from ESI start-up. Close working relations.
      - **SmartBUY use mandatory**, where requirements match offerings. OMB waiver required for deviations. DoD buyers must check DoD ESI website (www.esi.mil) before making commercial software buys
        - Oracle, ProSight, WinZip, Novell, Manugistics, Telos, and ESRI are all SmartBUY agreements

Software Asset Management

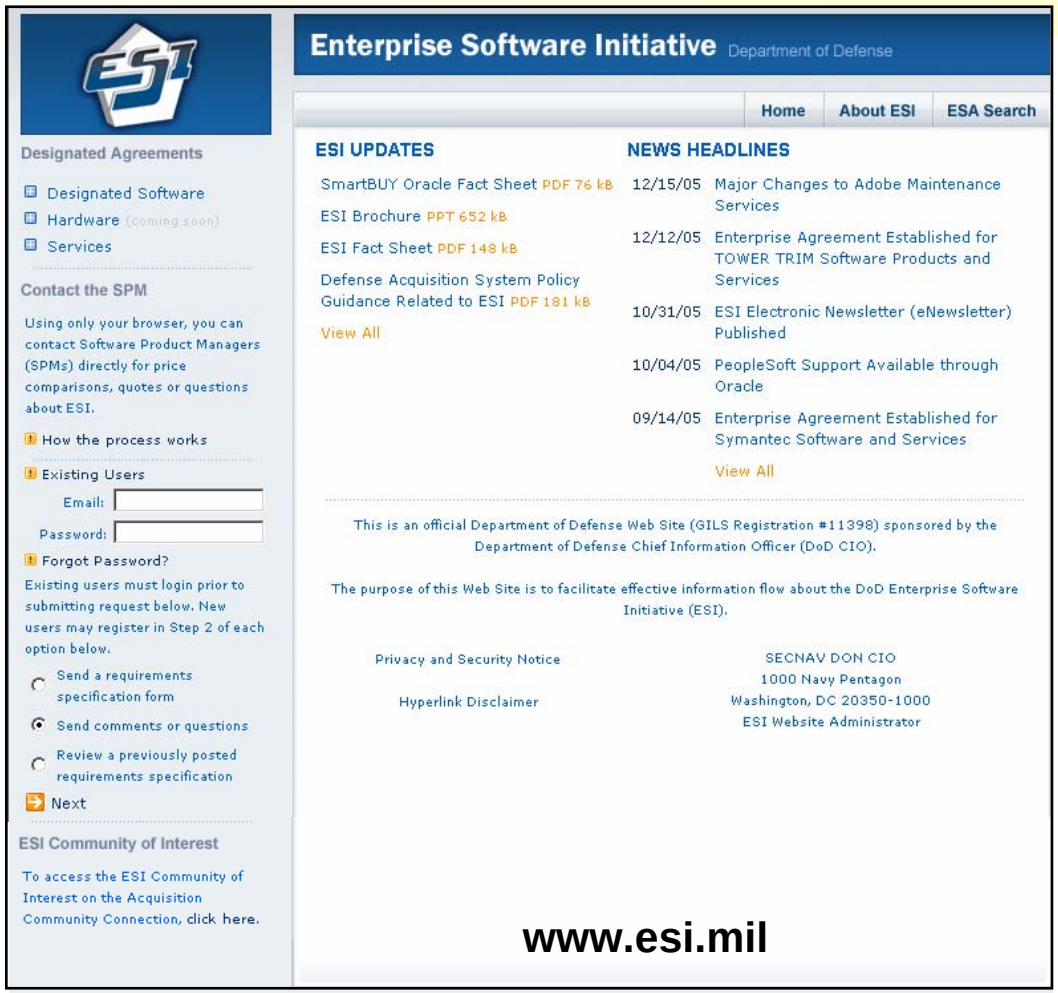
- SAM enables **smarter enterprise acquisition decisions**, enhanced information assurance and interoperability, and quicker turnaround on high-level software data calls.
- Joint IPT working SAM at the Component levels.
  - Prime focus is on tracking and managing software throughout its life cycle. Components need to budget SAM starting in FY08 POM.
- Net-Centric Framework for SAM
  - Provides most promising approach to successful enterprise-wide Software Asset Management implementation.
  - Includes recommended procedures, methodology, and techniques for use in establishing an enterprise-wide process
- Technology represents only a small part of the solution:
  - Must support and be integrated with process/methodology.

ESI Website Home Page

Links to Designated Agreements Table

SPM Communications Feature

ESI Community of Interest



- **Catalog of ESA, with complete agreements posted**
- **Policy info**
- **Announcements & news**
- **SPM & customer communications**

Defense-Wide Policy

- Department of Defense (DoD) Chief Information Officer (CIO) Guidance and Policy Memorandum No. 12-8430- July 26, 2000 – *Acquiring Commercial Software*
- DPAP/DCIO memo of December 22, 2005, *DoD Support for the SmartBUY Initiative*
- Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 208.74, *Enterprise Software Agreements*
- DoDI 5000.2, *Operation of the Defense Acquisition System*

Army Leadership in ESI

- Army representative to ESI Working Group is from PEO EIS, and closely coordinates with CIO G6:
  - Gary Wetterhall: 703-806-3775

- Army SPM is ASCP. Key player on the DoD ESI Team, and designated as the Army's Commercial Center of Excellence, and "Primary Source" for Information Technology (IT) products and services.
  - Michelina Laforgia: 732-427-6595
    - Tom Leahy: 732-427-6785
      - Dee Wardle: 732-427-6793

ASCP Website – ESI

https://ascp.monmouth.army.mil/scp/index.jsp

5 categories of information:
- Contracts
- Enterprise Agreements
- Order Status
- No-Cost Software
- Army IT Conference

ASCP web site assists visitors in obtaining information about the ESA it hosts on behalf of ESI, and its other IT contracts and Blanket Purchase Agreements.

ESI Working Group

Co-Chair (OSD): Jim Clausen
703-602-0980 ext 169 james.clausen@osd.mil

Co-Chair (DON CIO): Floyd Groce
703-607-5658 floyd.groce@navy.mil

Army: Gary Wetterhall
703-806-3775
gary.wetterhall@us.army.mil

Air Force: Debbie Sackman
703-696-1518
deborah.sackman@pentagon.af.mil

NGA: Tony Moore
314-260-5036
Charles.A.Moore@nga.mil

DLA: Susan Holder
703-767-2179 susan.holder@dla.mil

MDA: Guy Hammer
703-882-6245 guy.hammer@mda.osd.mil

DISA: Judawn Harvey
703-681-2336 judawn.harvey@disa.mil

OSD CIO: Daneen Heath
703-696-3983 daneen.heath@osd.mil

DFAS: John Blagmon
703-607-0076 john.blagmon@dfas.mil

Contracting & Acquisition for Enterprise Solutions
Lessons Learned
Mr. Chip Raymond - SEC - Belvoir

Contracting & Acquisition Lessons Learned

- **Observation**: Separate Army and OSD OIPTs and ASARCs add months to schedules, are non-productive, and non-supportive of DoD IPT process.
  - ☐ **Recommendation**: Combine Army and OSD program reviews. (Examples: WIPT and OIPT)
- **Observation**: OSD mandates re-bidding Lead System Integrator (LSI) for each ERP implementation phase.
  - Adds weeks to the program schedule by diverting LSI and Program leaders away from system development to prepare a proposal for the next phase
  - OSD mandated break at the end of Go Live phase to re-compete training and fielding adds enormous risk to program cost, schedule, and performance
  - ☐ **Recommendation**: Eliminate need to re-bid the LSI contract between phases if LSI is meeting all program requirements.

*** Source: SAP Army Day, "Transforming Army Business Processes**

Contracting & Acquisition Lessons Learned

- **Observation**: DoD 5000 directives originally designed for weapons systems conflicts with methodology for COTS ERP implementations.
  - **Recommendation**: Incorporate COTS implementation best practices to the maximum extent possible.
- **Observation**: There is neither an enterprise laboratory nor rapid prototype facility that is staffed with dedicated full time technical and functional subject matter experts for support to deployment sites and knowledge transfer.
  - **Recommendation**: Leverage Army Enterprise Solutions Competency Center (ESCC) laboratory, education and lessons learned.

*** Source: SAP Army Day, "Transforming Army Business Processes**

Additional Contracting & Acquisition Recommendations

- **Software Product Support**
  - Government, as well as the Lead System Integrator, needs to fully leverage Software Product Support
  - Must understand what services can be received and know the process for engaging product support
  - Members of the ERP team particularly Army project team members should be assigned to this role to ensure knowledge transfer of process
  - Often the Government/LSI fails to leverage Product Support and in turn makes costly customizations to the product.

- **Customer Advisory Board Participation**
  - Government should insist on participating in Customer Advisory Board (CAB) meetings for the various software products it invests in
  - Once on the CAB, the Government should send the appropriate Government leaders, in addition to LSI members

Additional Contracting & Acquisition Recommendations

- **Software and System Integrator selection**
  - Select Software package separate from the System Integrator (SI)
  - Allows Government to evaluate the software package without System Integrator bias
  - The Government also has the opportunity to choose the best SI based upon the SI's experience with the Government's preferred software package

- **System Integrator Staff**
  - Sometimes SI presents experienced staff during acquisition process but provides inexperienced staff during implementation
  - Require SI vendor to provide the same staff or if acquisition cycle is prolonged, staff with comparable backgrounds for all key roles (e.g. PM, Team Leads) on the project
  - Request staff references and contact former project as necessary
  - Require staff turnover of less than 25% per phase

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Best Practices & Critical Success Factors

Federated Architecture

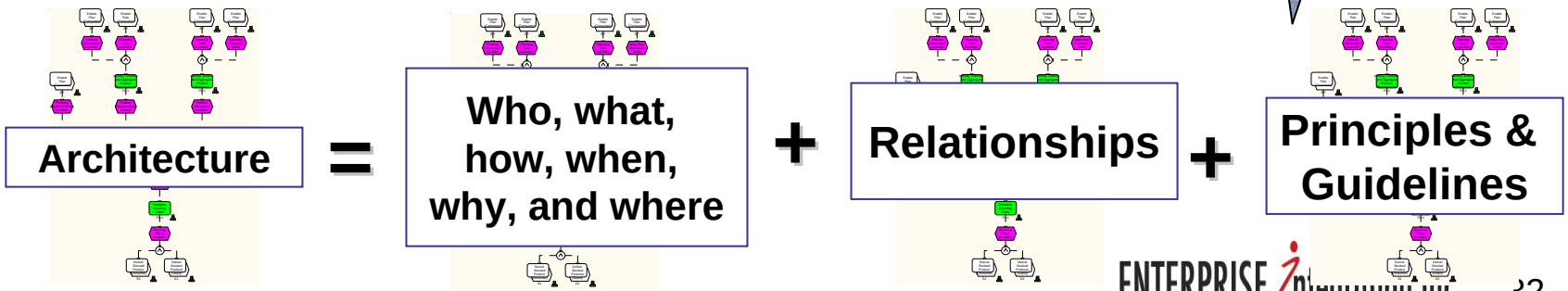
Dr. Tom Gulledge – Enterprise Integration, Inc

What is an Enterprise Architecture?

"An Architecture is a fundamental Organization of a System embodied in its Components, their Relationships to each other and the Environment and the Principles guiding its Design and Evolution." (IEEE STD 1471-2000).

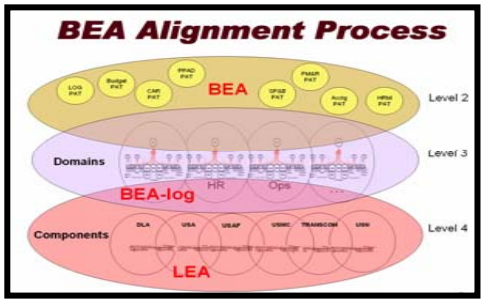
Enterprise Architectures define processes, data, applications, technology, and people in support of the business

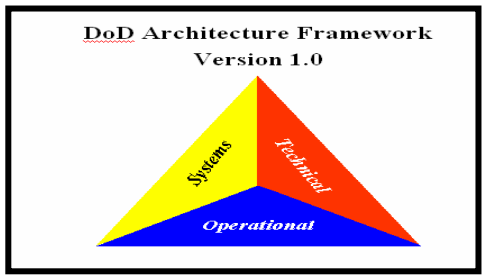
You don't build a house from a photograph!



How are Enterprise Architectures Used?

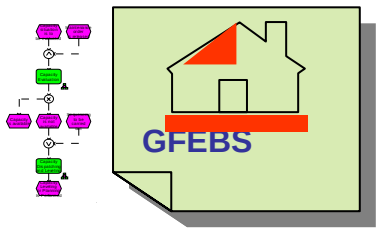
The Current Enterprise Architecture Environment

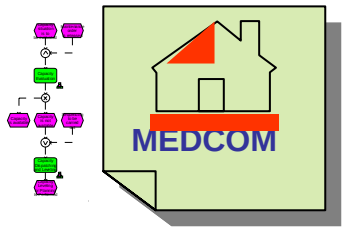


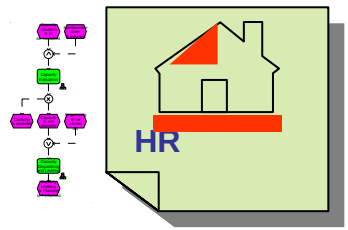


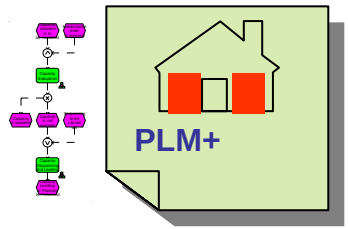
DoD
Joint Technical
Architecture

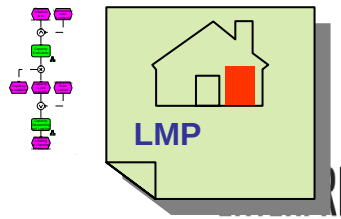
Why Federation? This is a <u>sample</u> of the many architectures currently developed and maintained by the US Army. What are the odds all these architectures will be normalized and integrated?



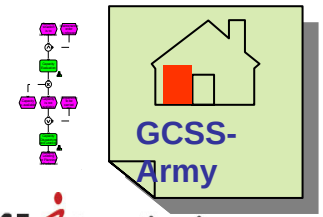








GIG Architectures



The Challenge

How can we achieve a single architecture for management and control?

How can Independent Architectures already in use be brought together?

How can we provide traceability?

The Solution: Federated Architectures

Federated Architectures are the backbone to enabling an enterprise-wide view of Army Operations.

- Aligns independent architectures together using a proven **Federated Methodology.**
- Allows multiple architectures to be viewed through a single user interface.
- Allows the reuse of independent architectures to address enterprise-wide requirements.
- Provides an enterprise-wide perspective enabling analysis and comparison on an abstract level.

A Federated Architecture is a collection of autonomous architectures under a common framework or reference architecture governed or managed by a authoritative entity that provides standards and guidelines.

-IDS Scheer 2005

Analyses enabled through the use of a Federated Architecture Approach

- Value Added Alignment
- End-to-end Business Process Alignment
- Process Performance Monitoring
- Service Oriented Architectures

Federated Methodology

1. Establishing Governance

2. Defining Standards and Guidelines

7. Feedback

Governing Authority

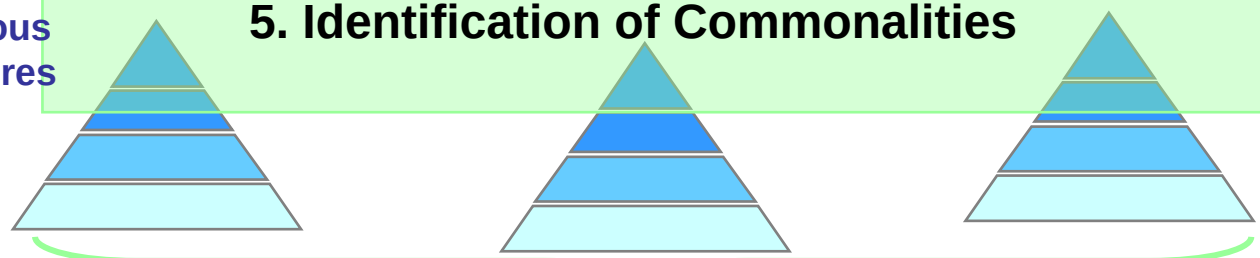
Common/ Reference Architecture

6. Alignment/ Integration

4. Adapting Standards and Commonalities

Autonomous Architectures

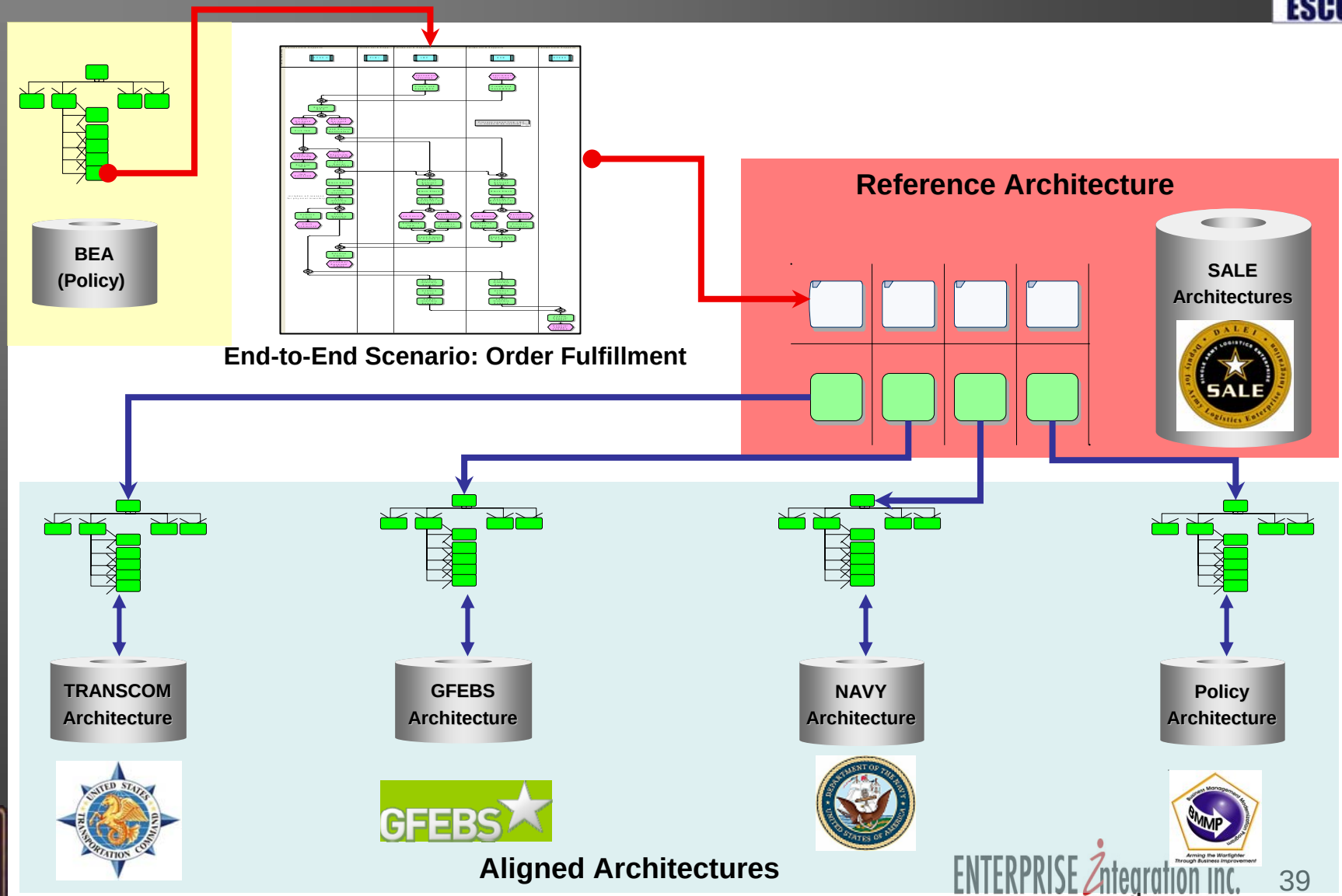
5. Identification of Commonalities



3. Scope Definition

Iterative process that aligns existing architectures within a newly formed federation

Federated Architecture Example



Conclusion & Outlook

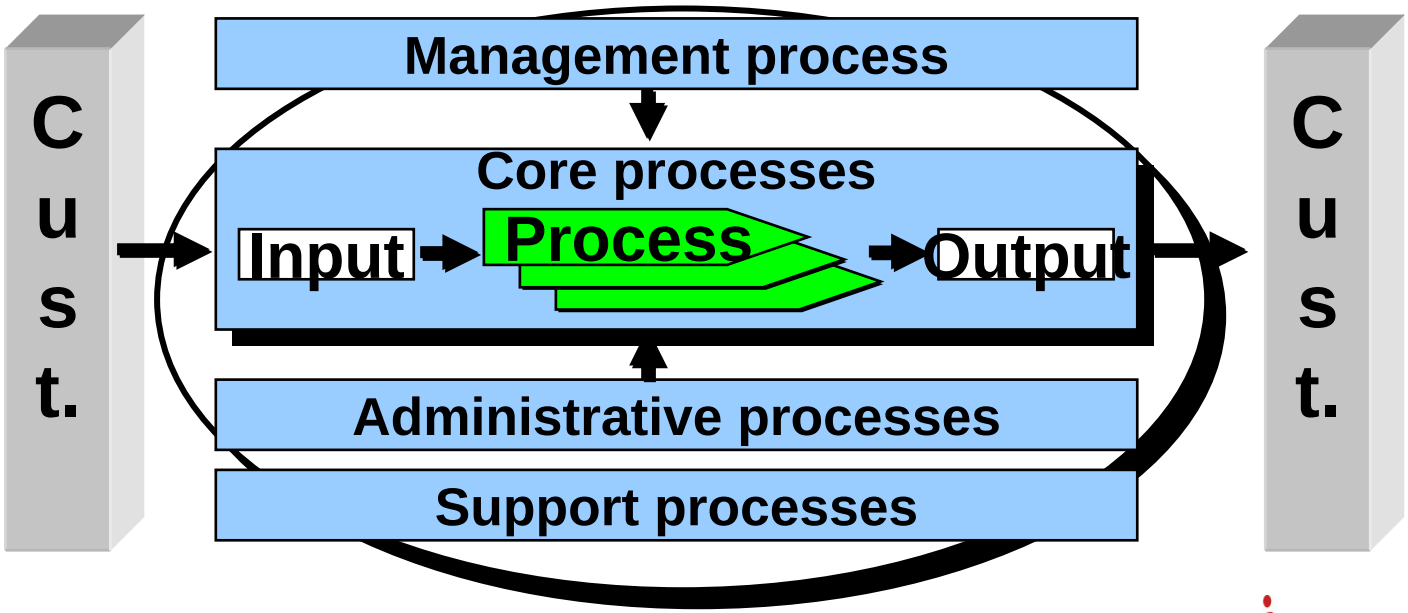
- Federation is the key to leveraging the reuse of existing independent architectures to address enterprise-wide requirements.
- Federated Architecture is working and achievable. **USTRANSCOM** has successfully implemented a Federated Architecture approach to align their critical end-to-end business processes to independent Services/Agencies/CoCOMs architectures.
- The short term analyses benefits of Federation, will enable investment into the long term Army Transformation vision.

Process Performance Management

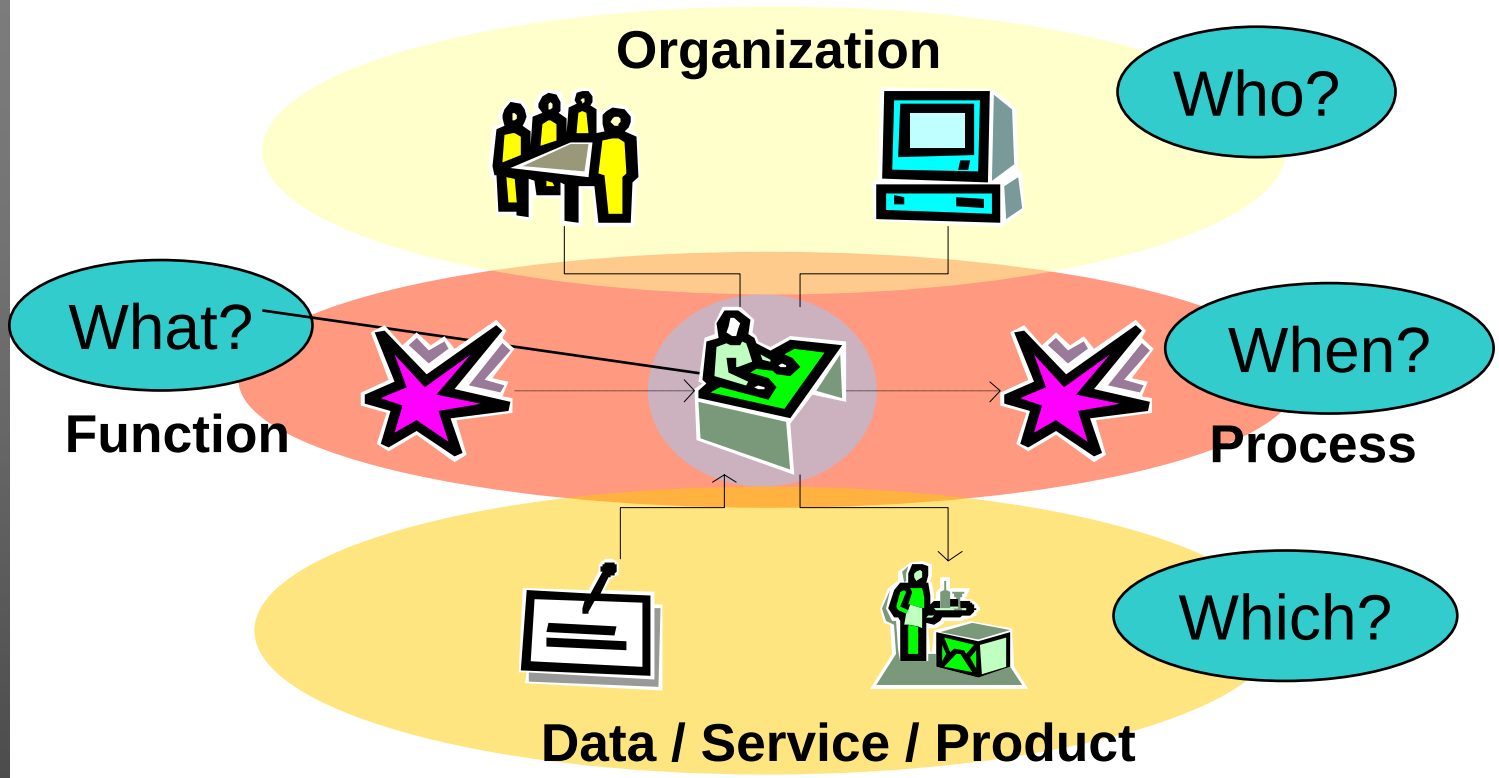
Monitor, Measure, Analyze and Optimize business processes

What is an Enterprise Process?

Definition: *The end-to-end, cross-departmental, and often, cross-[Service or Agency] coordination of work activities that create and deliver ultimate value to customers (Source: The Agenda, Michael Hammer, 2001).*

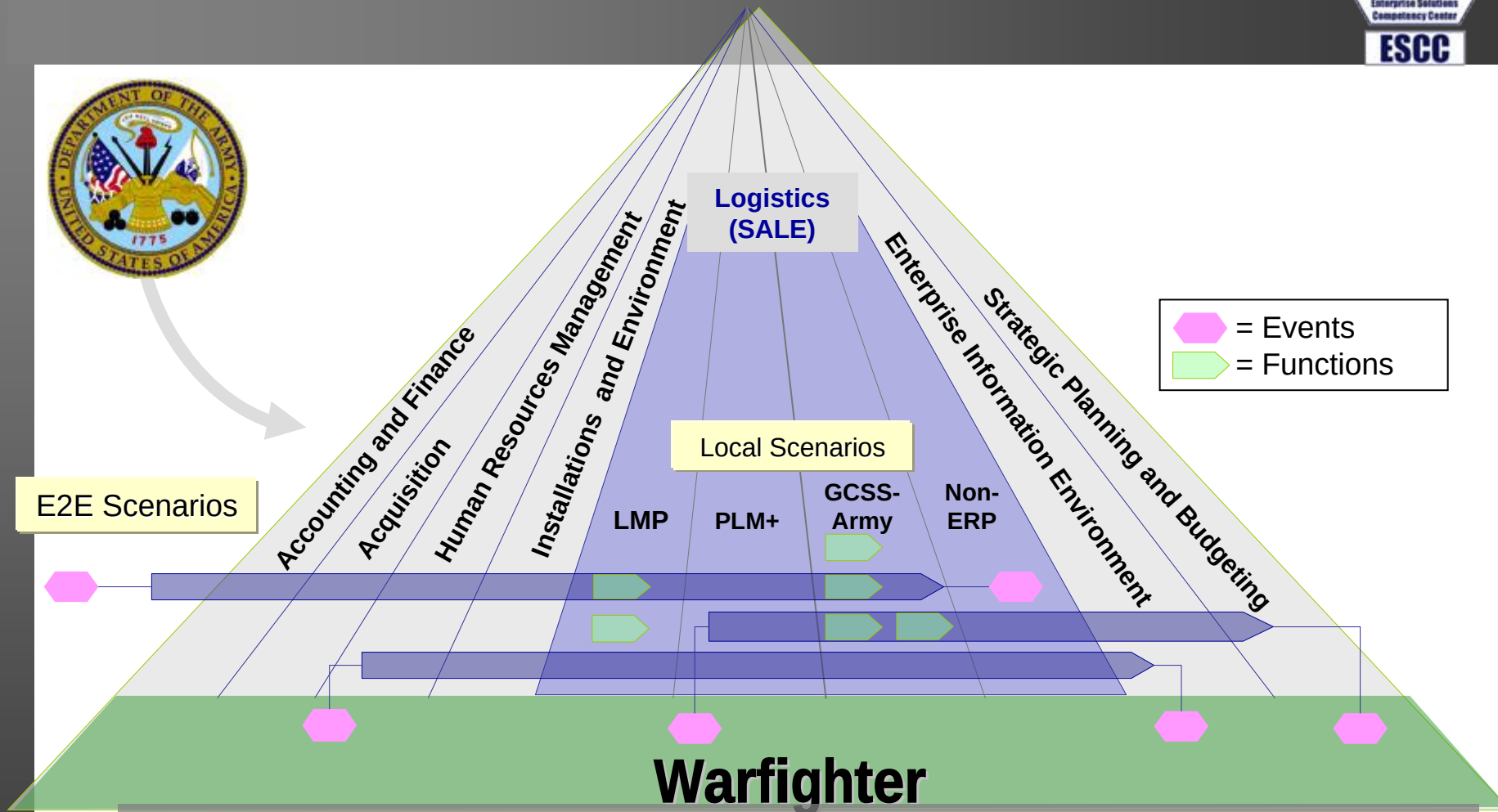


Enterprise Process Considerations



To represent business processes clearly and systematically, it is critical to understand the relationship of the supporting organizational units, data/service/products, and functions.

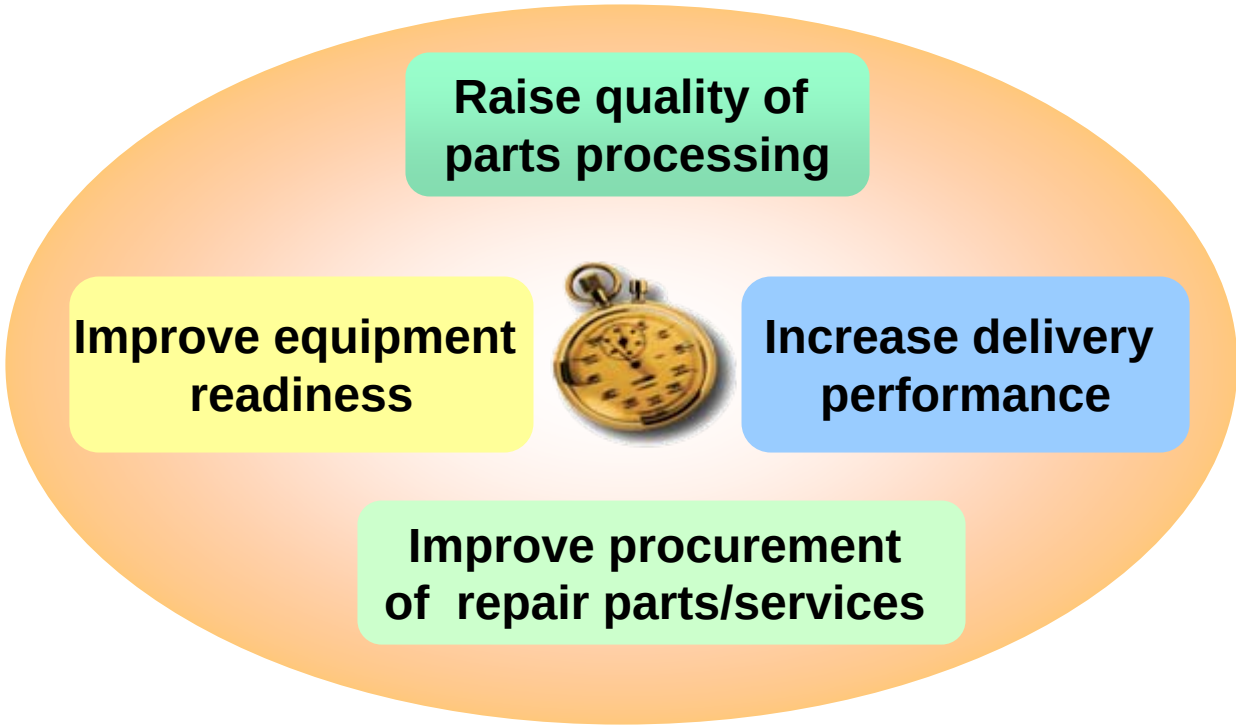
The Focus: End-to-End Business Processes



If we are to succeed with the Army's Transformation vision, end-to-end business processes must be the focus. Only by performing PPM on the overall process can true transformation begin.

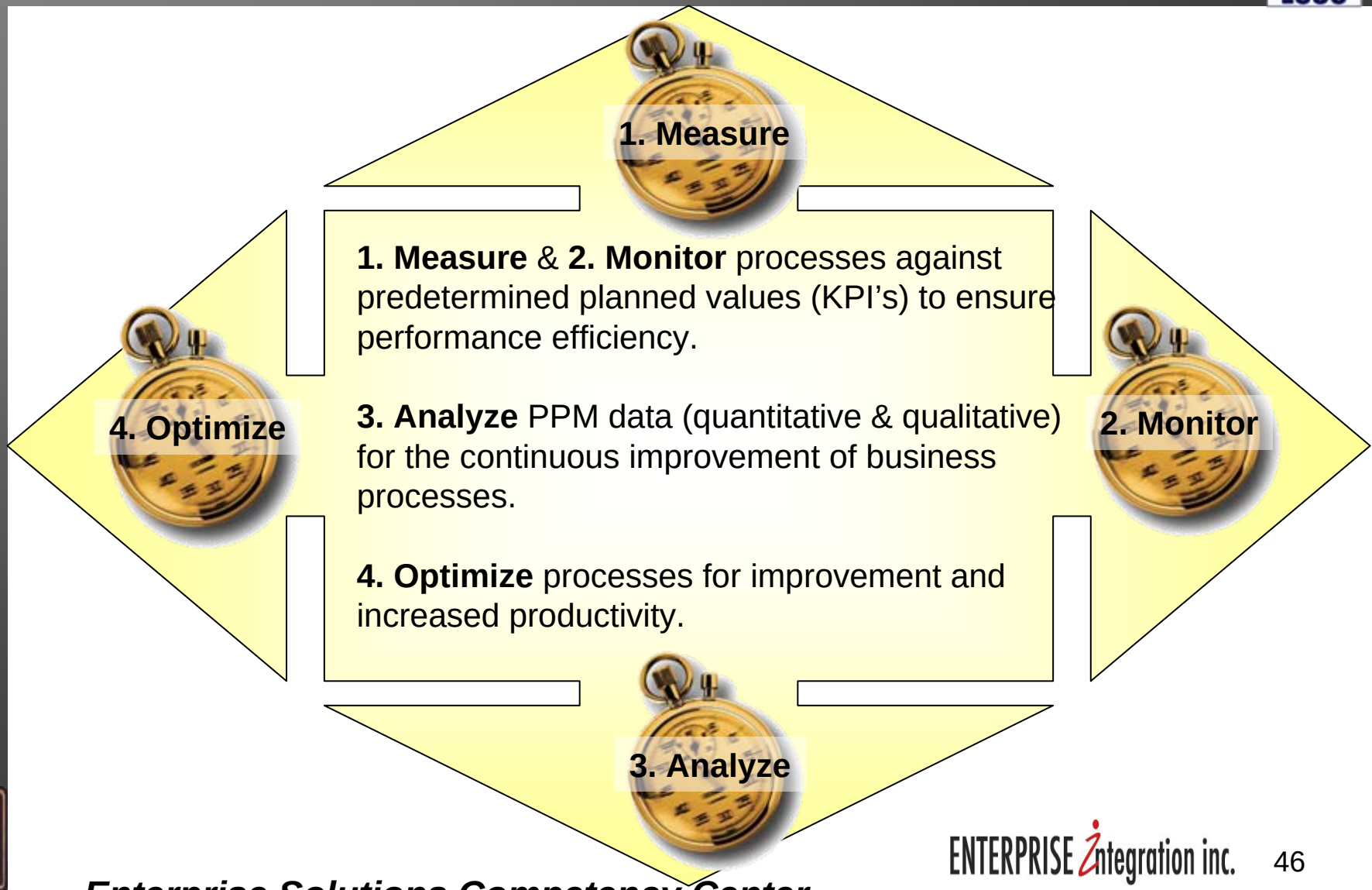
How well are we achieving our goals?

How well are the Army business processes running?
How can we measure the efficiency of our goals/business processes?



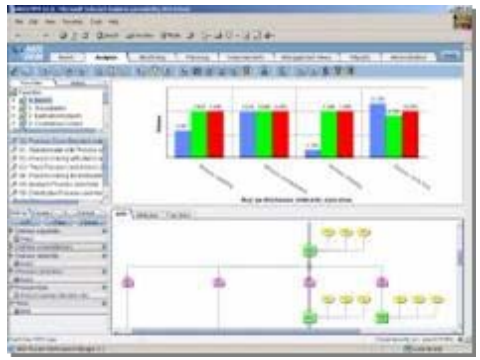
Business processes should be measured & monitored for improvement.

The Process Performance Management Concept



The PPM Architecture Landscape

PPM Front-end
- Navigation
- Presentation
- Analysis
- Reporting



PPM Process Warehouse

- PPM Application Server
- PPM DB server

- KPI determination
- HTML/Report Generation
- PPM Administration

Adapter → ERP

Adapter → Legacy

Adapter → CRM

Adapter → SCM

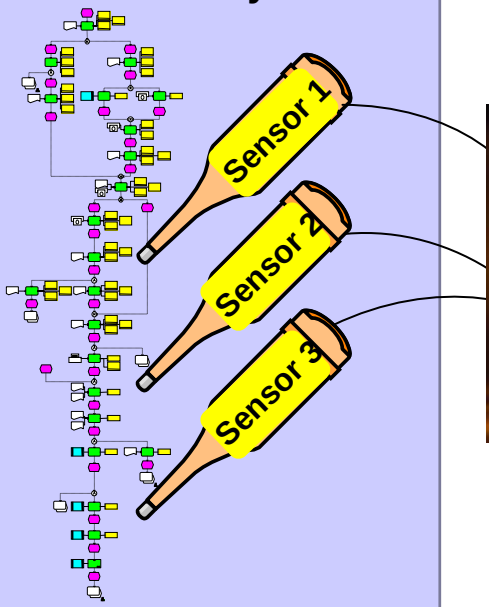
XML Interface → E-business

XML Interface → Groupware

Measuring & Monitoring

Business Processes

Order & Delivery Process



Examples of KPIs

Perfect Order Fulfillment
Right Material, Right Time, Right Quantity

Percentage of Orders Filled by the Requested Delivery Date
Orders fulfilled on or before customer dates

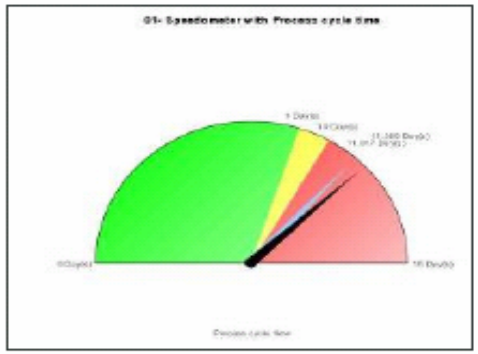
Process Cycle Time
E2E Process Time to execute steps

PPM is based on the measurement of key operational data.

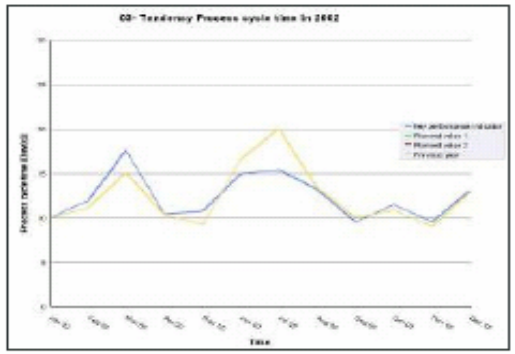
1) The Monitoring of business processes against milestones/targets for any deviations or negative trends from the planned values.

2) The Measuring the performance of business processes based on runtime data and calculating Key Performance Indicators (KPIs).

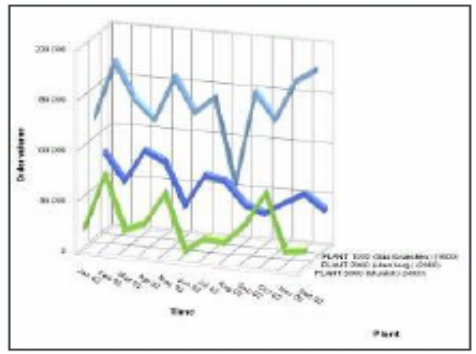
Analyzing
Business Processes



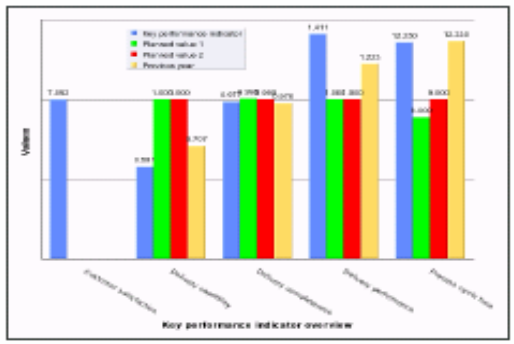
Process cycle time



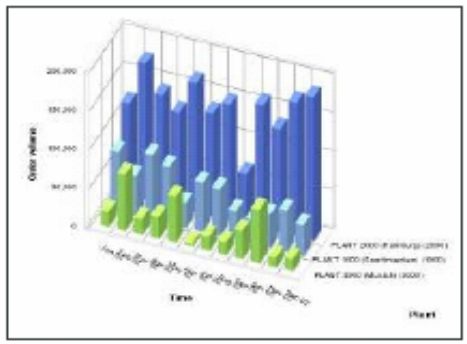
Process cycle time over time



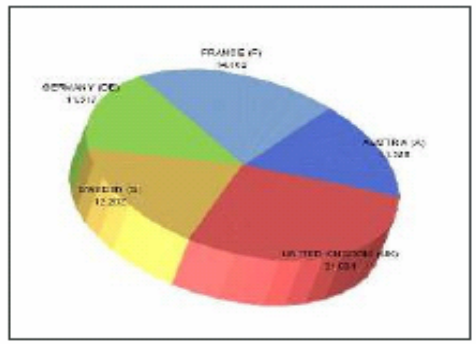
Process cycle time over time and regions



Process cycle time compared with planned values



Process cycle time over time and plants



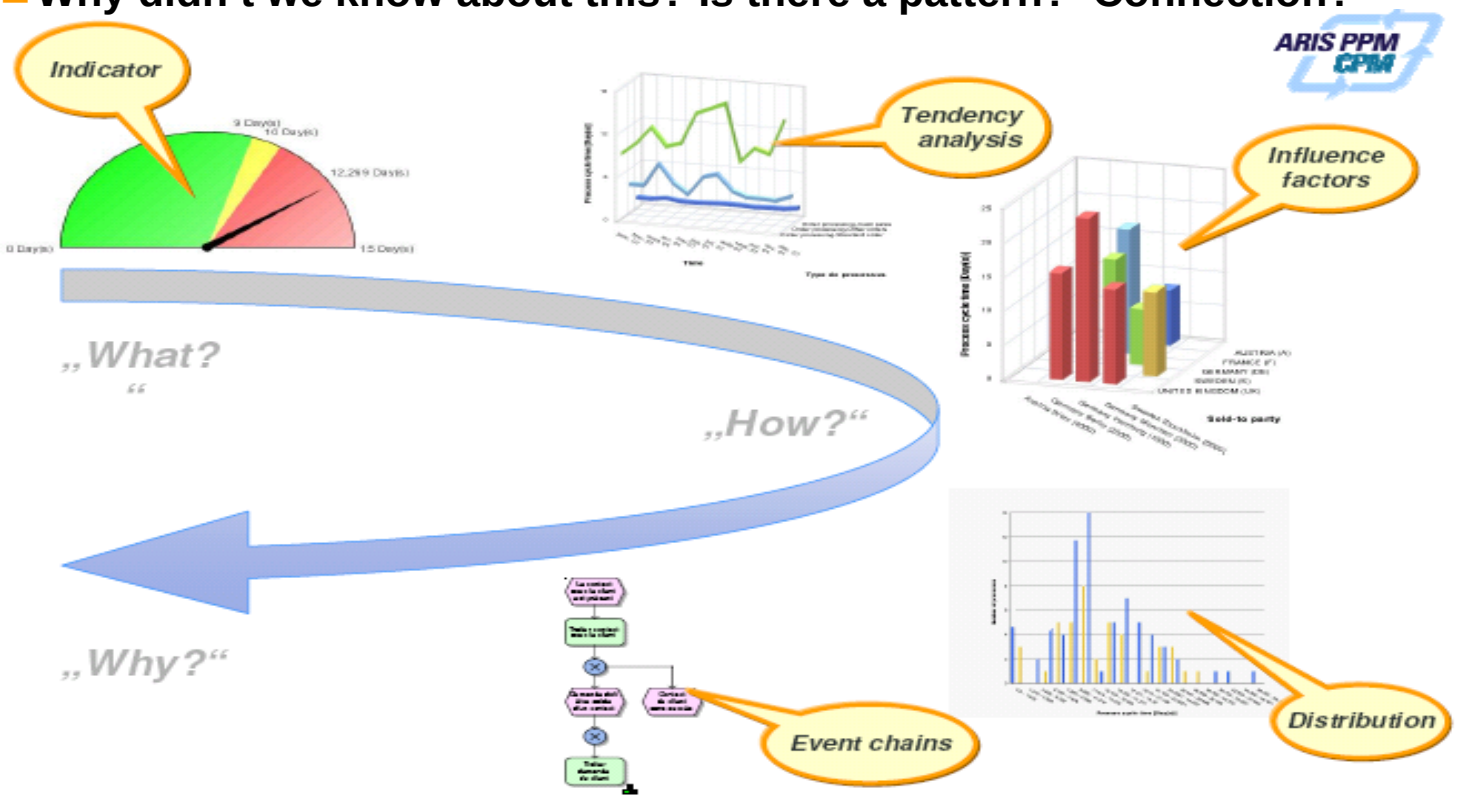
No. of processes over customer groups

PPM involves the analysis of key performance indicators with reference to one or more dimensions, presented graphically in diagrams or tables.

Optimizing
Business Processes

?

- Why did it take so long? How did this happen? .... Again?
- Why didn‘t we know about this? Is there a pattern? Connection?



PPM involves the determination of optimization potentials for improvement and increased productivity

Agenda

■ Opening Remarks	Mr. Chip Raymond
■ Contracting/Acquisition Lifecycle	Mr. Jim Clausen
■ Enterprise Solutions Best Practices; Federated Architecture, Process Performance Management	Dr. Tom Gulledge
■ BREAK	15 min
■ Enterprise Solutions Competency Centers	Mr. Chip Raymond
■ Enterprise Solutions Critical Success Factors	Mr. Mark Rushing
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Best Practices & Critical Success Factors

Enterprise Solutions Competency Centers

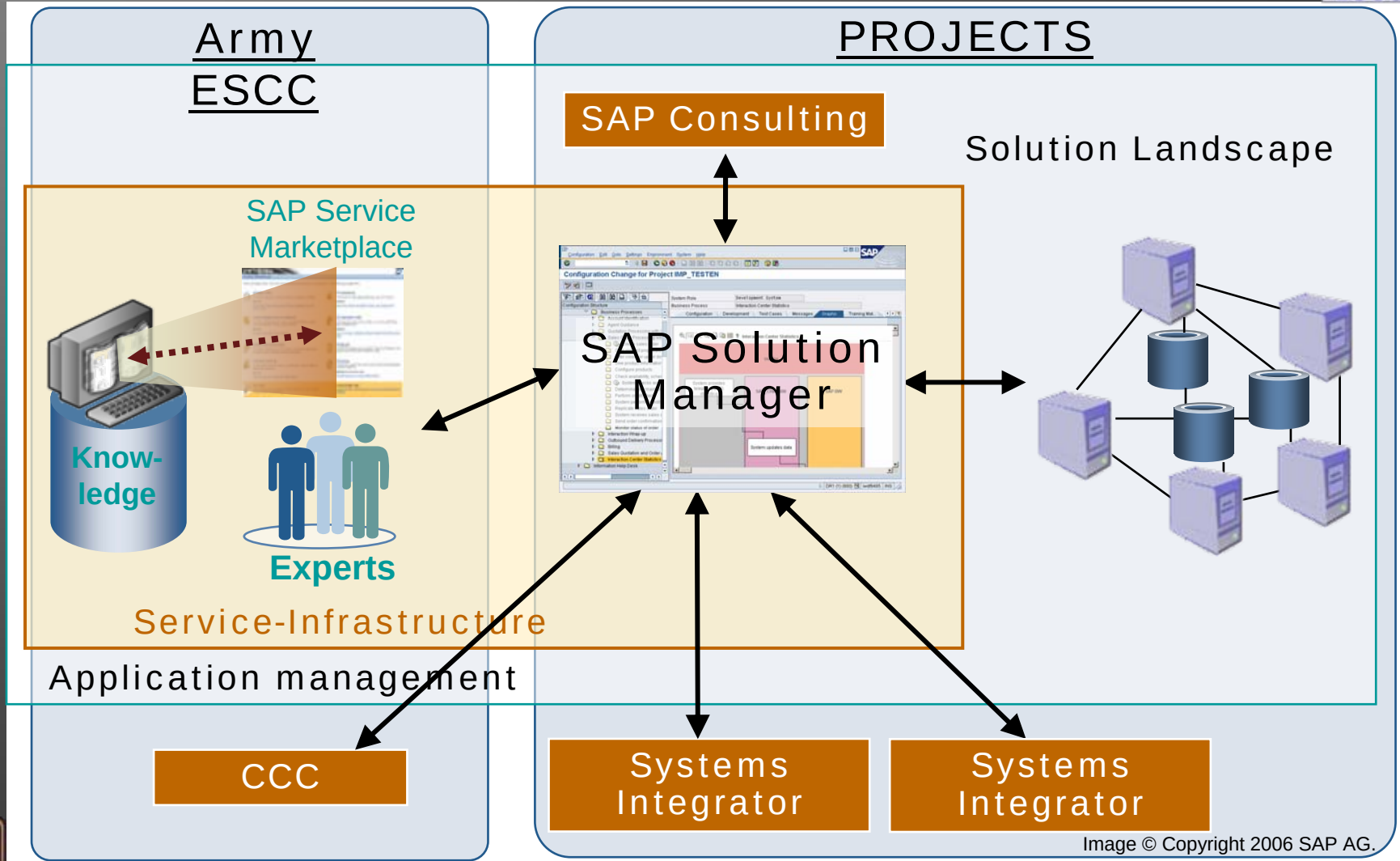
Mr. Chip Raymond - SEC - Belvoir

Overview of a SAP Customer Competence Center

- The concept of a Customer Competence Center (CCC) is to develop an organization within the full enterprise that focuses all acquisition, implementation, and dissemination of learning / knowledge of SAP as an Enterprise Solution.

- Once certified by SAP, certain benefits accrue to the certified organization.
  - 20-30% cost savings on maintenance fees
  - Reduced SAP Training tuition costs

SAP CCC Concept



Value Proposition

SAP says:

- An organization that develops a fully-certified SAP CCC will accrue
  - 17% expense savings on maintenance fees.
  - 30% discount on training at SAP's Support Academy
  - Faster response from SAP in resolving difficult problems.

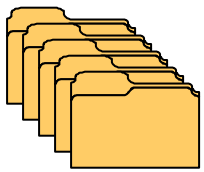
The ESCC says:

- This proposition still requires more assessment
  - SAP CCC would be for SAP software only
  - Recertification requirement every 2 years
  - Labor intensive
  - Potentially expensive to implement

Army Enterprise Solutions Competency Center

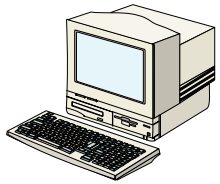
http://www.army.mil/aeioo

The Competency Center Model



Business Process Support

- Super-User-Based
- Level One
- Triage
- Training

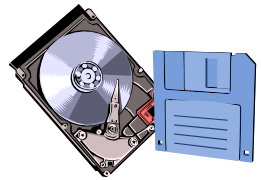


User Interface Support

- PC
- Network

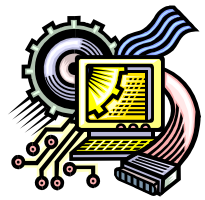
Business Process Enablement

- All Business Applications
- End-to-End Process Support
- Application Config.
- Knowledge Management
- Meta and Master Data
- App. Vendor Comms.
- Link to Business



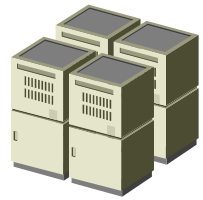
Applications Development and Integration

- Application Development
- Application Integration and Middleware
- BI and DW Development and Integration
- Business Partner Integration
- Any-Shore Resource Management



Application Operations

- Architecture
- Database Admin.
- Back-up and Recovery
- Security
- Environments
- Software Change Mgmt.
- Patches
- Archiving
- Tuning
- SLA



Infrastructure Support

- Hardware
- Storage
- Disaster Recovery

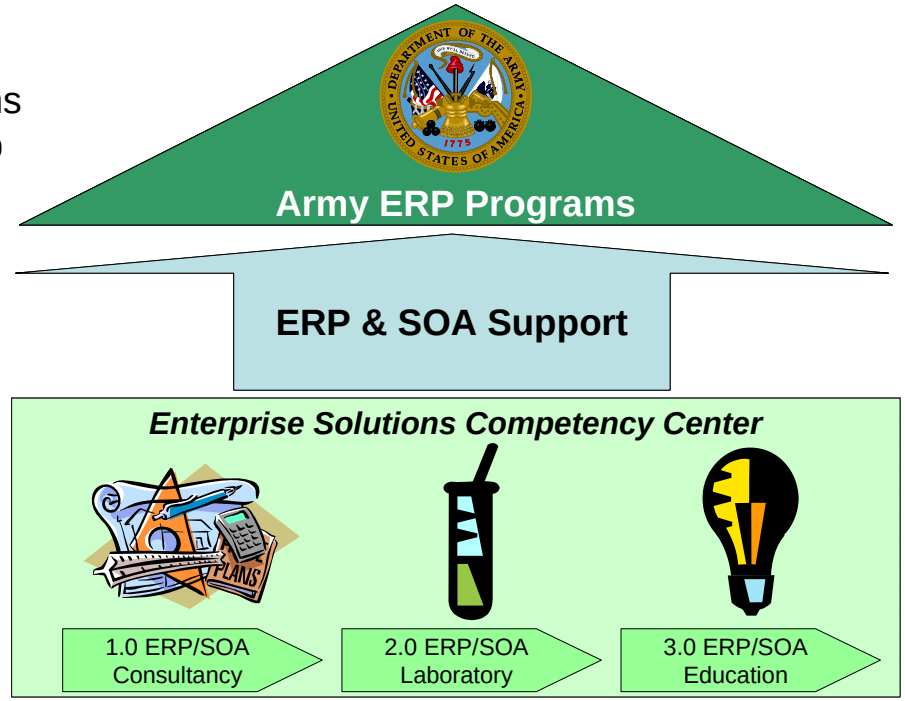
Business Unit	IS	Competency Center	IS

ESCC Services for Army ERP / SOA Programs

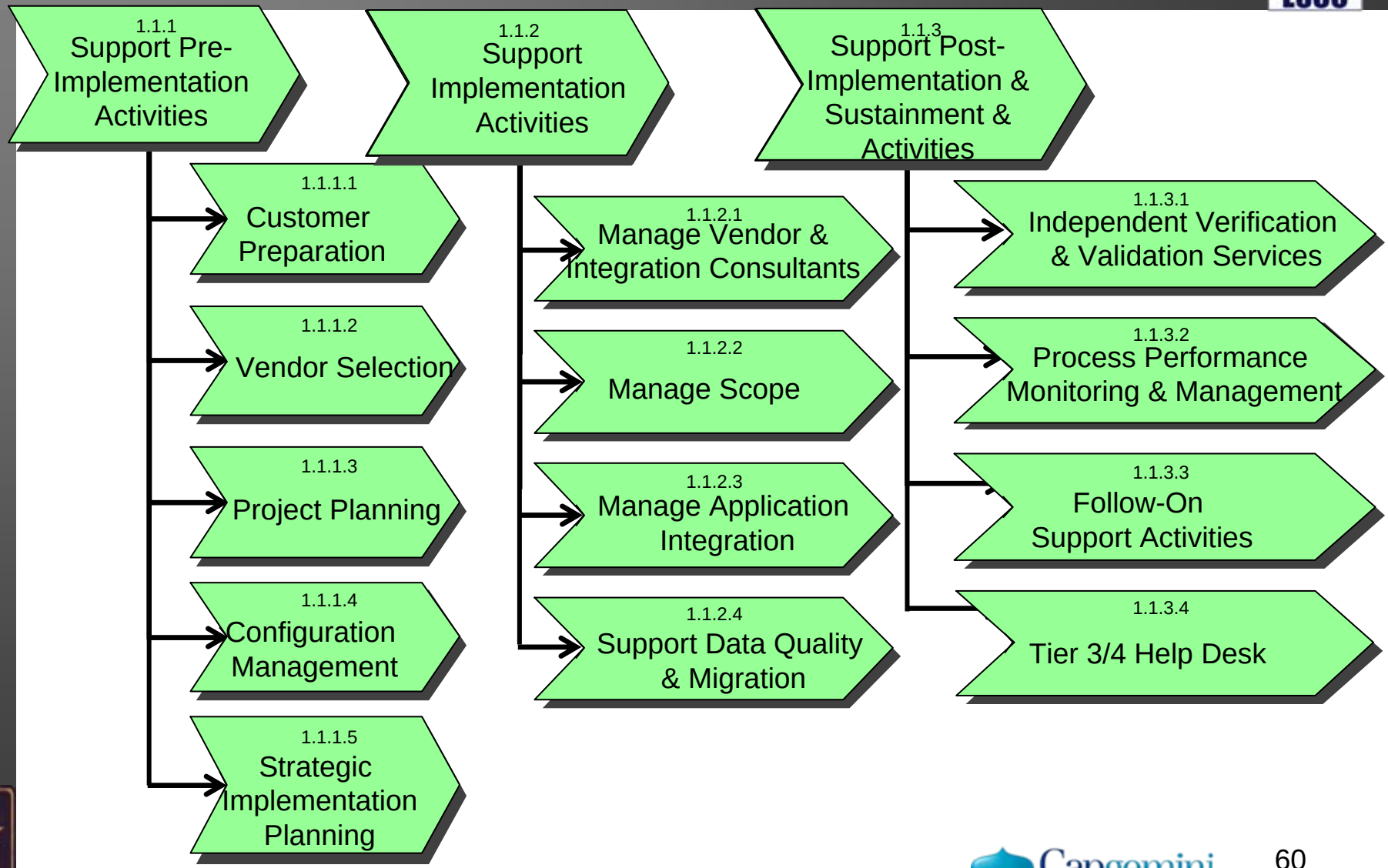
1. ERP/SOA Consultancy services provide:
   - Vendor selection support
   - Coaching, assessment and recommendations to Army ES programs
   - Compliance feedback to the leadership of Army ES programs

2. ERP/SOA Laboratory allows the Army community to:
   - Access best-of-breed software
   - Test new software functionality
   - Proof concept models, technical solutions and integration

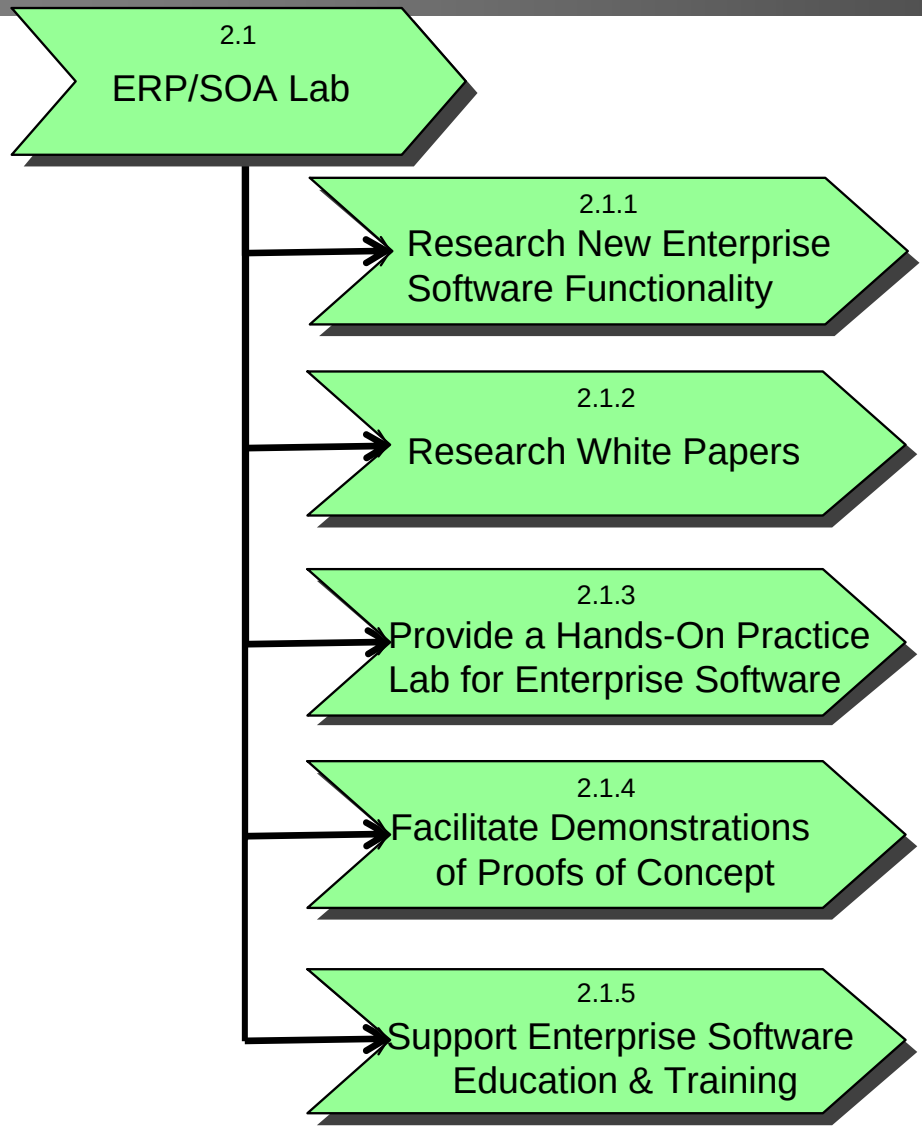
3. ERP/SOA Education provided through the ESCC website assists with:
   - Development and sharing of white papers
   - Development and delivery of relevant traditional instruction and virtual / distance training,
   - Maintenance of a repository of lessons learned



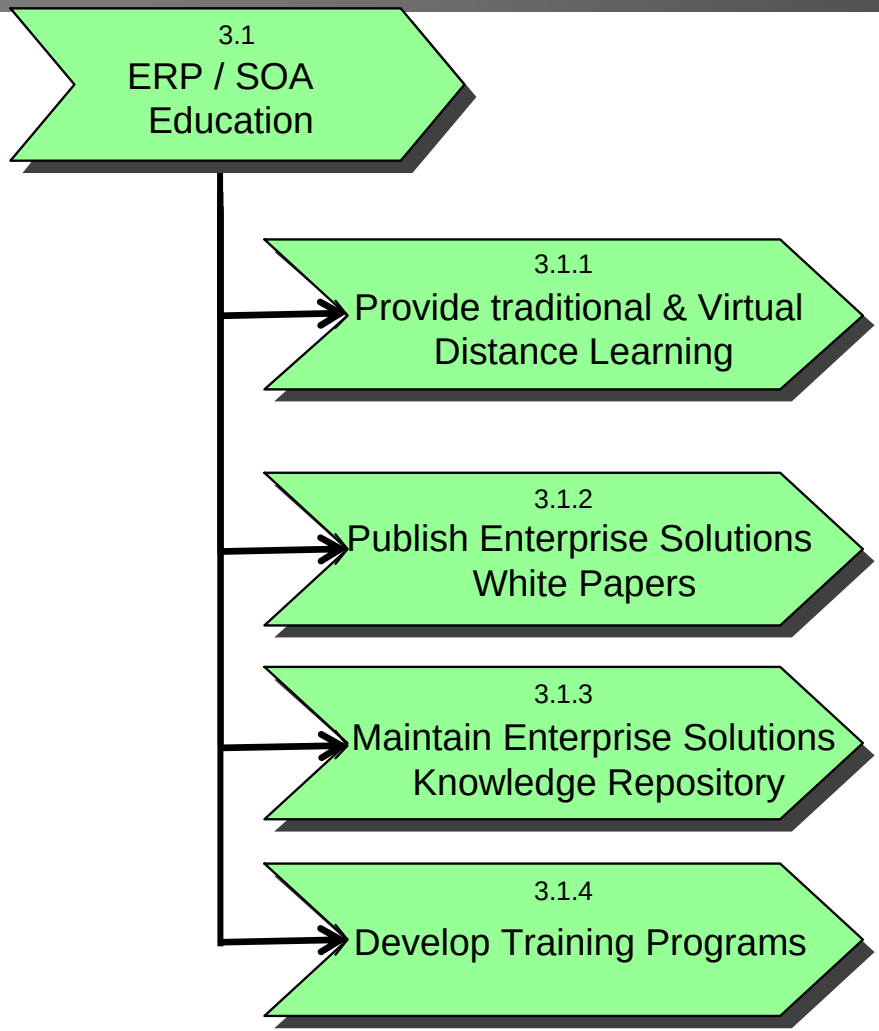
ESCC ERP/SOA Consultancy



ESCC ERP/SOA Laboratory



ESCC ERP/SOA Education



ESCC Value Proposition

- The ESCC offers a solution set, infrastructure and resources that supports the requirement to provide transparency to the progress made by the Army's ERP programs in transforming the organization.

- The service offerings are designed to enable effective deployment and sustainment of Enterprise Solutions.

  - Programs that are traditionally stovepiped can share information through a common means

  - Program Management Offices can leverage hands-on tools, technology and templates to manage implementations more uniformly

  - Army business subject matter expertise is provided by experienced Competency Center analysts, easing resource constraints

  - The ESCC maintains and provides lessons learned across the entire ERP LifeCycle Management Process mitigating the risk of leadership changes through rotation

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Enterprise Solutions Critical Success Factors

Mr. Mark Rushing - Capgemini

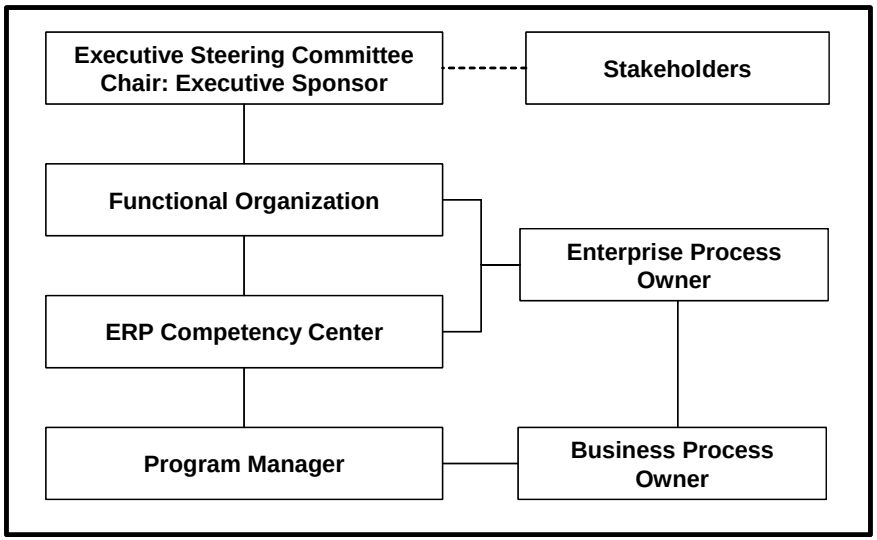
Critical Success Factors

- Governance
- Risk Mitigation
- Continuous Process Improvement (CPI) and Army Lean Six Sigma deployment
- Data Management
- Change Management
- Performance Management
- Overcoming Obstacles
  - Regulatory and Compliance Matrix

Governance

- Definition: Specifying the decision rights and accountability framework to encourage desirable behavior in the use of IT*
- People, Process AND Technology must be governed
- Executive sponsorship a must

Sample Private Sector Governance Structure



- Involve the right players but too many bosses hinder progress
- Be sure to include process owners

* (Source: Don't Just Lead, Govern; Weill & Woodham, MIT Sloan CISR)

Possible Risk Factors

- Financial
  - Cost Overruns
  - Budget Constraints
  - Funding Issues
- Resource
  - Skill Limitations
  - Available Manpower
- Technical
  - Unmet performance requirements
- Management
  - Inexperienced Managers
  - Project Complexity
- Operational
  - Trainability
  - Maintainability Requirements
- Political
  - Possible loss of Service
  - Loss of Credibility due to security breaches
- Organizational
  - Alignment to Strategic Goals
  - Alignment to Vision
- Timing
  - Obsolescence of technology
  - Schedule Overruns

Risk Mitigation Approach

- Changing the ERP baseline software is one of the major risks to be mitigated
  - Risk Mitigation Strategy
    - Modifications should be driven by strategic initiatives, statutory and regulatory requirements only
    - Regulatory requirements which are not law should be reviewed for possible revision as part of the due diligence effort before a modification to the software is proposed
- The Risk Mitigation Plan is developed during the initial phases of the implementation
  - Contains reasonable risks identified by government personnel and the System Integrator
  - Contains remediation plans if risks occur
  - Is monitored and updated periodically
  - Becomes a part of the lessons learned repository if risk mitigation plans are leveraged

Continuous Process Improvement

- **Continuous Process Improvement (CPI)** ensures that all factors such as ***organizational structure, roles and responsibilities, people and technology*** are not only integrated but synchronized to deliver specific organizational goals and objectives.

- Processes should be:
  - Designed and managed with strong emphasis on customer needs.
  - Able to adapt to evolving business requirements and customer needs on a "*continuous*" bases for various reasons.
  - Continuously tracked and monitored against Key Performance Indicators / Performance Metrics.

- KEY: To succeed, CPI initiatives must focus on mapping processes to external drivers – the needs of the customer – rather than to *internal demands*

Continuous Process Improvement

Definition of Continuous Improvement

Continuous Process Improvement (CPI) is a means of identifying and implementing initiatives which continually improve the performance of an organization and create sustainable business change.

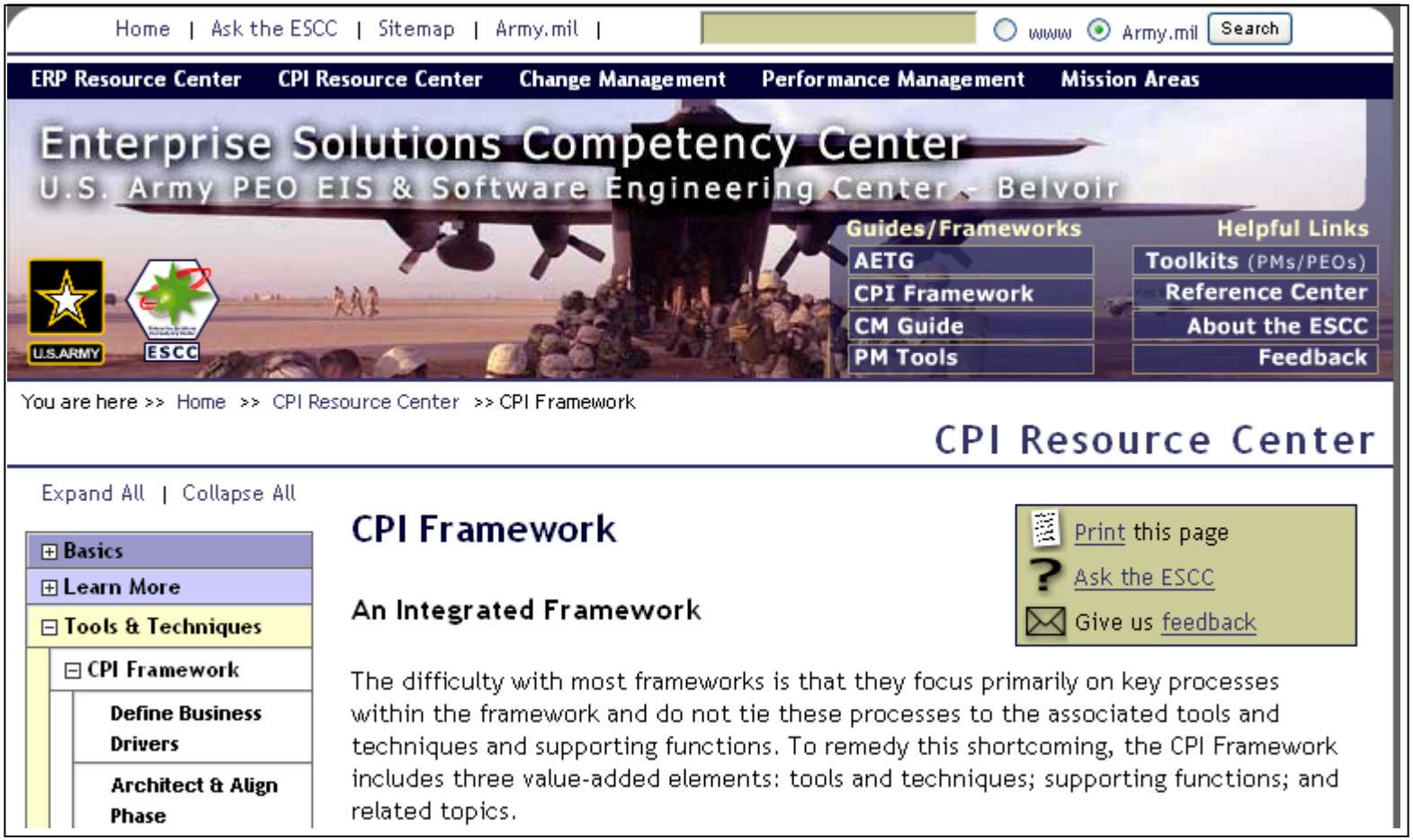
Embedding Continuous Improvement

In order to embed CPI within a business, an organization needs to:

- Foster an environment and culture within which its employees are empowered to improve their business
- Develop an ability to continually identify and evaluate opportunities within the organization with a view of creating improvement initiatives that will deliver benefit
- Develop an ability for planning and delivering quick win improvements in alignment with longer term business change, whilst maintaining momentum for on-going improvement

CPI Resource Center

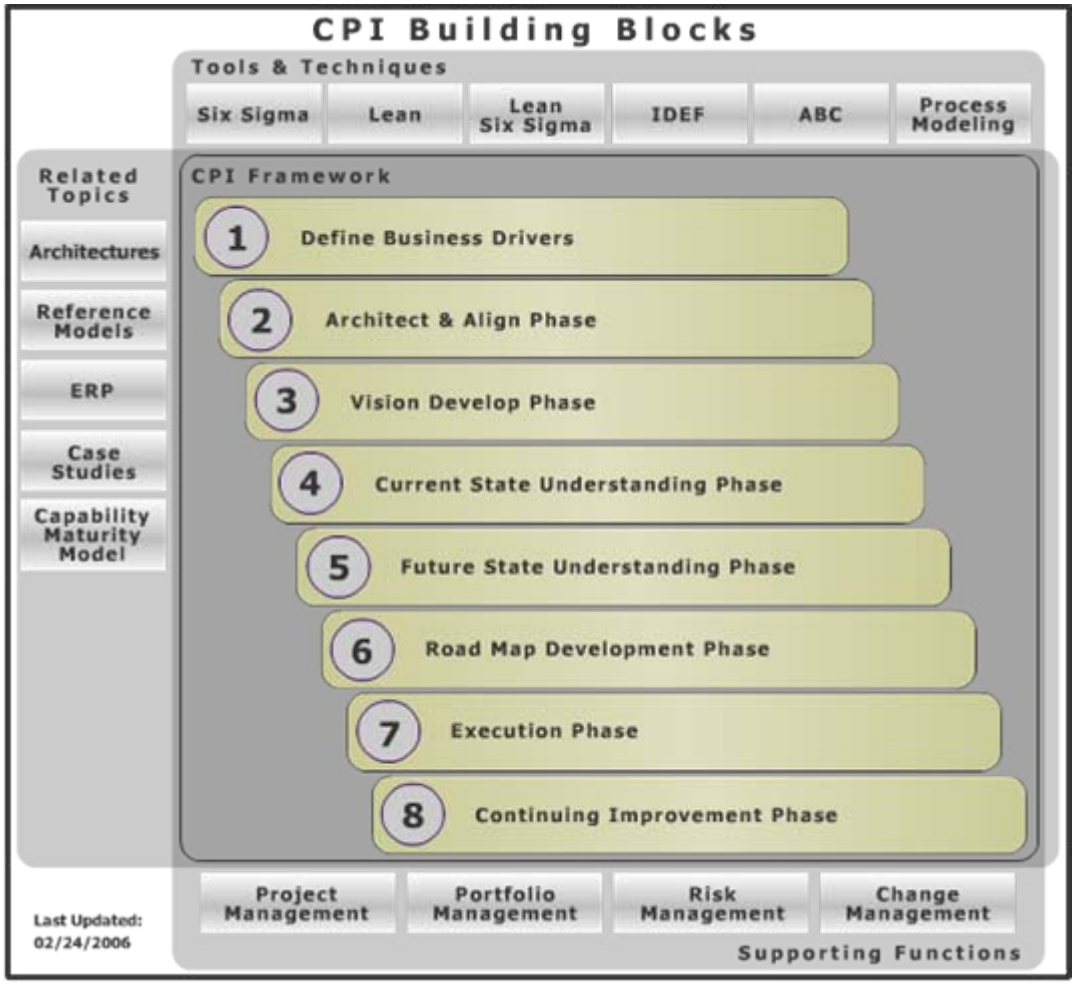
- **Integrated CPI Framework**



http://www.army.mil/aeioo/cpi/index.htm

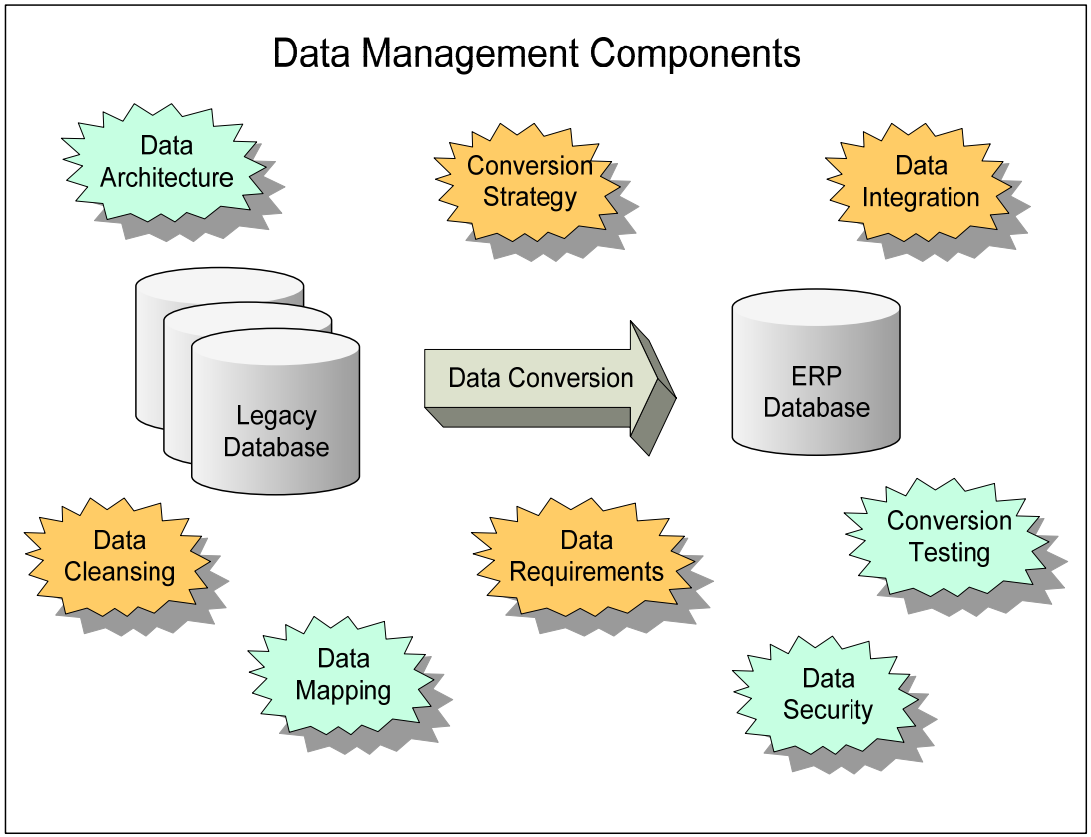
CPI Framework

- **CPI Building Blocks - Tools, techniques and templates**



http://www.army.mil/aeioo/index.htm

Data Management



- Data management is an ongoing process that extends beyond the initial implementation
  - **Data architecture** is the framework for organizing the planning and implementation of data resources
  - **Data Integration** is an ongoing process of sharing data to maximize the use of information resources
- Thorough requirements and reporting definition lessens effort needed later for testing and error resolution

Data is analogous to fruit. Fruit should be cleaned before use. Fruit becomes stale over time. Although stale fruit is easily detected, that is not so with data.

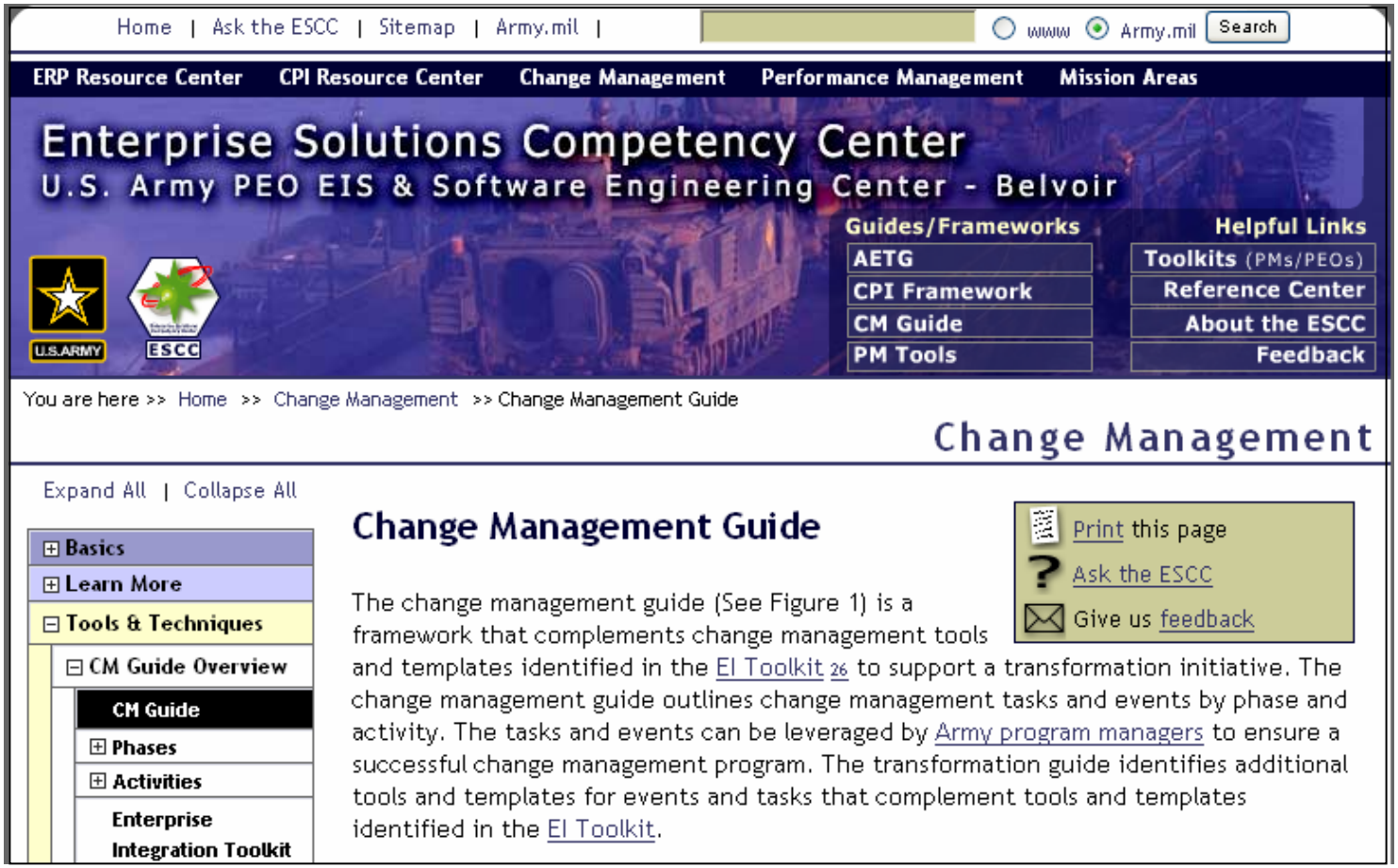
Change Management

Consideration	Army Challenge	Strategy to Overcome
Sponsorship / Leadership	Rotation	■ Engaged leadership ■ Transition
Stakeholder Alignment	Enterprise View	■ Governance
Cost	Hard to justify $$ (10% - 15%)	■ Make the case for change
Project Lifecycle	When to start	■ Communications ■ Iterative process
Culture	Resistance to change	■ Sponsorship from within ■ Education

- *Historically, most major business transformation efforts fail.*
- *The failure rate is often as high as 65 percent to 75 percent.*
- *The primary cause of failure is most frequently the failure to anticipate and effectively manage cultural and organizational change.* -- Gartner

Change Management Resource Center

- **Information, tools, techniques and templates available**



http://www.army.mil/aeioo/cm/guide_tm.htm

Change Management Guide

- **Tools and templates by ERP Phase and Activity**

Change Management Guide v.5.1				
Activities	Phases			
	Initiation	Acquisition	Implementation	Post Go-live
Change Management Planning	Establish Transformation Strategy	Review & Refine Transformation Strategy	Review & Refine Transformation Strategy	Evaluate Transformation Strategy
Leadership & Stakeholder Management	Access Leadership & Stakeholders	Review & Refine Transformation Strategy	Engage Leaders & Stakeholders	Measure Transformation Effectiveness
Communications	Establish Communication Strategy	Launch Communication Strategy	Communicate, Communicate, Communicate	Examine Communication Strategy
Organizational Alignment	Document Changes & Impacts	Identify New Roles & Responsibilities	Initiate New Roles & Responsibilities	Institutionalize New Roles & Responsibilities
Learning	Develop Learning Approach	Develop Learning Materials	Deliver Learning	Institutionalize Learning
Last updated: 2/10/2006				

http://www.army.mil/aeioo/cm/guide_tm.htm

Performance Measurement

- **Performance measures are used to:**
  - Engage leadership
  - Evaluate strategic alignment
  - Manage expectations
  - Identify additional improvement opportunities and/or gaps
  - Mitigate risk
  - Share results and progress
- **Focus on:**
  - ERP Perspective: Cost, Schedule, and Performance
  - Business Perspective: Efficiency, Effectiveness, and "Customer" Satisfaction
- **Project Performance Measurement required by OMB**
  - PRM Framework

Performance Reference Model (PRM) Framework

* (Source: www.dod.mil/comptroller)

Performance Measurement Resource Center

- **Information, tools, techniques and templates available**

http://www.army.mil/aeioo/pfm/index.htm

Performance Measurement Tools

- **Tools and Techniques**

Overcoming Obstacles

- **Many Enterprise Solution programs or initiatives run into obstacles early in the Requirements Definition stage.**
  - The efficiencies being sought are sometimes blocked by current regulation, policy, or procedure.
- **When such an obstacle is encountered, the response traditionally has been to assume the obstacle wins.**
  - When a law, federal regulation, DoD or Army Policy are cited as the source of a requirement – *surrender is not the only option*.
  - Sometimes, with a strong enough business case – and the right level of Executive Sponsorship – the law, federal regulation, or policy can be changed!
- **A Regulatory and Compliance Matrix has been assembled to provide guidance on the multiple sources of 'obstacles' that are often cited and options to consider in addressing the obstacle.**

Overcoming Obstacles

- **Regulatory and Compliance Matrix**
  - Roadmaps assist process owners early in the requirements definition phase to:
    - Identify and consider all the elements that may impact the redesign, and then;
    - Consider whether there is a strong enough business case to request a change to any barrier;
  - Based on the level of difficulty and potential impact to the success of the redesign.
  - As the sources of these requirements are mapped, it becomes apparent how much work will be necessary to make changes.
    - A requirement levied by DoD, without underlying codification in federal law – **Easier to change**
    - An Army policy that is an implementing instruction based on a codified requirement contained in the Federal Acquisition Regulation (FAR), and the Defense Supplement to the FAR – **Harder to change**

Overcoming Obstacles

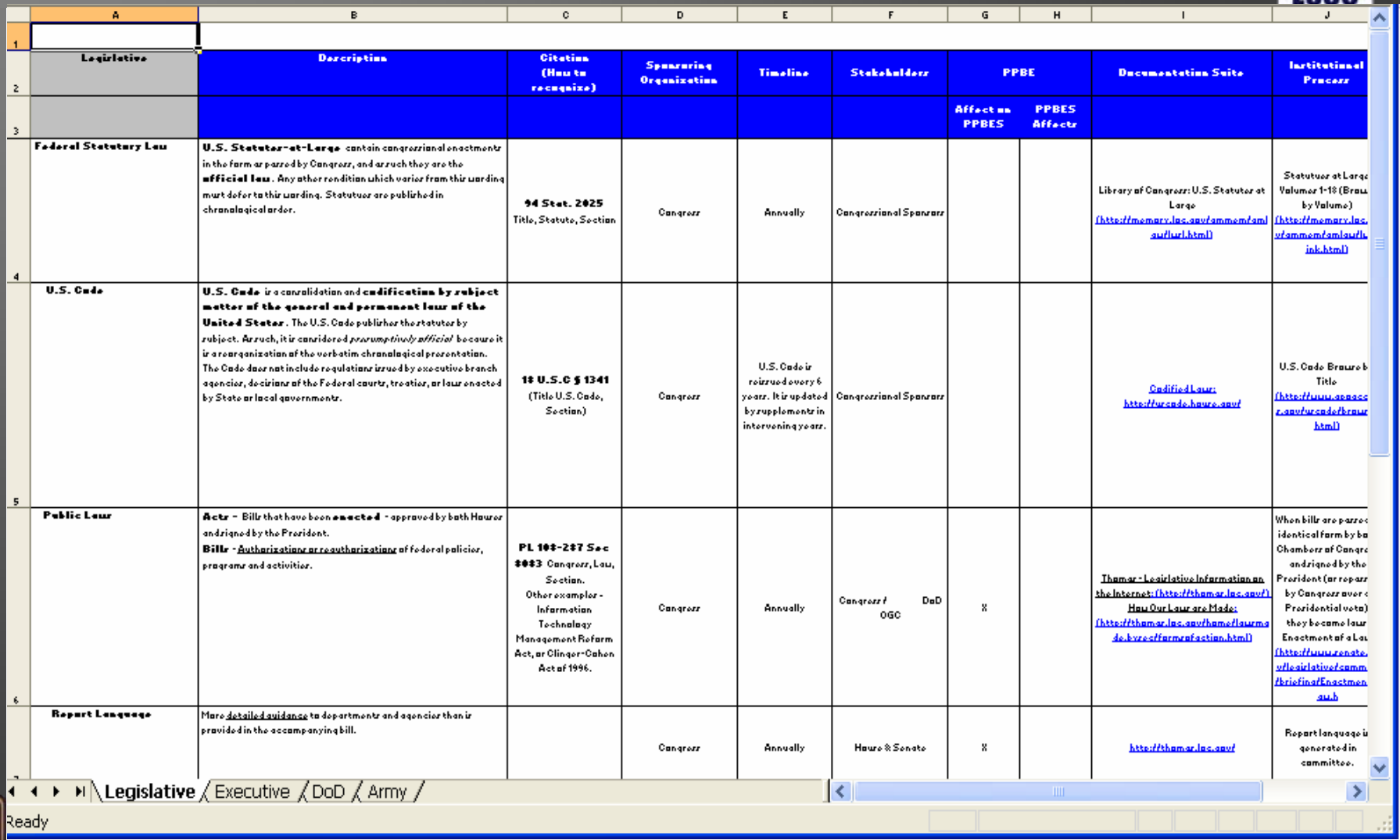
- The Regulatory and Compliance Hierarchy, lists in descending order the priority of main elements which contain requirements that must be accommodated in business processes.

- There are four categories that govern Army business processes:
  - Legislative – Public Law
  - Executive – Federal Regulations
  - DoD – Policy and Procedures
  - Army – Policy and Procedures

- The matrix contains a description, citation examples, sponsoring organizations, stakeholders, degree of difficulty, and links to documentation and process information that assists process owners in making changes to these elements.

Regulatory and Compliance Matrix

URL: http://www.army.mil/aeioo/cpi/fw2_matrix.htm



Legislative	Description	Citation (How to recognize)	Sponsoring Organization	Timeline	Stakeholders	PPBE		Documentation Suite	Institutional Process
						Affect on PPBES	PPBES Affector		
Federal Statutory Law	**U.S. Statutes-at-Large** contain congressional enactments in the form as passed by Congress, and as such they are the **official law**. Any other rendition which varies from this wording must defer to this wording. Statutes are published in chronological order.	**94 Stat. 2025** Title, Statute, Section	Congress	Annually	Congressional Sponsors			Library of Congress: U.S. Statutes at Large (http://memory.loc.gov/ammem/amlaw/lwsl.html)	Statutes at Large Volumes 1-18 (Braus by Volume) (http://memory.loc.gov/ammem/amlaw/lwlink.html)
U.S. Code	**U.S. Code** is a consolidation and **codification by subject matter of the general and permanent laws of the United States**. The U.S. Code publishes the statutes by subject. As such, it is considered *prima facie official* because it is a reorganization of the verbatim chronological presentation. The Code does not include regulations issued by executive branch agencies, decisions of the Federal courts, treaties, or laws enacted by State or local governments.	**10 U.S.C § 1341** (Title U.S. Code, Section)	Congress	U.S. Code is reissued every 6 years. It is updated by supplements in intervening years.	Congressional Sponsors			Codified Laws: http://uscode.house.gov/	U.S. Code Browse by Title (http://www.access.gpo.gov/uscode/browse.html)
Public Laws	**Acts** - Bills that have been **enacted** - approved by both Houses and signed by the President. **Bills** - Authorizations or reauthorizations of federal policies, programs and activities.	**PL 103-337 Sec 8083** Congress, Law, Section. Other examples - Information Technology Management Reform Act, or Clinger-Cohen Act of 1996.	Congress	Annually	Congress / DoD OGC	X		Thomas - Legislative Information on the Internet: (http://thomas.loc.gov/) How Our Laws are Made: (http://thomas.loc.gov/home/lawsmade.bysec/formsofaction.html)	When bills are passed identical form by both Chambers of Congress and signed by the President (or repassed by Congress over Presidential veto) they become laws. Enactment of a Law (http://www.senate.gov/legislative/common/briefing/Enactment.htm)
Report Language	More detailed guidance to departments and agencies than is provided in the accompanying bill.		Congress	Annually	House & Senate	X		http://thomas.loc.gov/	Report language is generated in committees.

Legislative | Executive | DoD | Army

Ready

Summary

- The first three rules of ERP:
  - Change Management
  - Change Management
  - Change Management
- ERP is a business project, NOT a systems project
  - Manage to a business case – Define expected results – Measure throughout the program
  - Functionals MUST lead and sponsor the initiative
  - End-users are Stakeholders
    - Collaboration is critical
- Commitment from the “right” resources is key
    - Communication at all levels is a must to mitigate risk
    - Leaders can assist project teams to overcome obstacles

Go-live is just the beginning of the journey . . .

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Learning Objectives

- Understand Contracting / Acquisition for ERPs
  - Use of:
    - Enterprise Software Initiatives
    - Blanket Purchase Agreements
    - Enterprise Licenses
  - Contracting / Acquisition Lessons Learned
- Understand use of enterprise solutions to deliver commercial best practices
- Understand the role of Program Management Office (PMO) / Enterprise Solutions Competency Center
- Understand the Critical Success Factors for enterprise solutions
- Understand the role of Executive Sponsors in removing obstacles to success